



**Manitoba Public Insurance 2019 General Rate Application: Attachment B – Proposed Budget**

\*Neither Dr. Simpson or Mr Pitt have been retained for this hearing. It was not anticipated that Dr. Simpson would be retained because it was assumed that MPI would be presenting a 50/50 interest rate forecast rather than a naive forecast. Mr. Pitt was not retained because the magnitude of changes with the Corporation's information technology plan was not anticipated and it was not anticipated that the Gartner group would be called to testify. CAC Manitoba also contemplated that a capital maintenance provision would not be introduced until 2020/21.

**Total (including contingency) \$219,166.75 – \$219,666.75**

\* The budget is preliminary given the relatively short time frame to review the application.

**Estimated Budget MPI 2019/20 – Public Interest Law Centre**

Submission on Vehicle for Hire

**Byron Williams** 1.2 hours (**not billed**)

*Review draft submission and participate in meeting*

**Katrine Dilay** 12 hours x \$100/hr

*Review materials, consult with clients and expert and prepare submissions*

Attend and participate MPI Technical Conferences

**Byron Williams** 28 hours x \$285/hr

*Prepare for and attend MPI Technical conferences (March 2, 2018, (8.8 hours), March 14, 2018 (11.2 hours) and March 20, 2018 (8 hours)) including consult with expert, meet client, review draft material, attend meeting and follow up*

**Katrine Dilay** 20 hours (**not billed**)

*Prepare for and attend MPI Technical conferences (March 2, 2018, March 14, 2018, March 20, 2018) including consult with expert, meet client, review draft material, attend meeting and follow up*

MPI GRA

**Byron Williams** 240 hours x \$285.00/hr

*12 hearings days\* with an estimated 20 hours billed per hearing day (preparation prior to the hearing, preparation during the hearing and attendance)*

**Katrine Dilay** 200 hours (**not billed**)

*Preparation prior to the hearing, preparation during the hearing and attendance*

**Estimated Fees**

**Byron Williams** 268 x \$285/hr = \$76,380.00

**Katrine Dilay** 12 x \$100/hr = \$1,200.00

Second Pre-Hearing Conference or Issues Meeting – Contingency

**Byron Williams** 5 hours (**not billed**)

*Review materials and submissions*

**Katrine Dilay** 10 - 15 hours x \$100/hr

*Prepare submissions on issues list, attend hearing*

**Estimated Fees (including contingency)**

**Byron Williams** 268 x \$285/hr = \$76,380.00

**Katrine Dilay** 22 – 27 x \$100/hr = \$2,200.00 - \$2,700.00

## **Manitoba Public Insurance 2019 General Rate Application: Attachment B – Proposed Budget**

\*At a high level given issues relating to Asset Liability Matching, Vehicles for Hire, significant changes in information technology expenditures, ongoing issues relating to interest rate forecasting – we estimate roughly 12 days. A more detailed breakdown of estimates suggests - PUB cross MPI panel (3 days), CAC MB cross MPI panel (2 days), CMMG cross MPI panel (0.5 days), MPI redirect (1 hour), Gartner Group witness (direct and cross (1 day), ALM Witnesses of MPI and CAC/MB (2.5 days), Vehicle for Hire Issues (1 – 2 days), Closing (1 day) days Contingency (1 day)

**Andrea Sherry**

<b>Activity</b>	<b>Time (Hours)</b>	<b>Cost (x \$250/hr)</b>
Assist Interim Vehicle Hire Rates and Technical Conferences	15	\$3,750.00
Review of overall indication (actuarial report including long tail experience, claims forecast, actuarial rate indication calculation)	10	\$2,500.00
Driver Safety Rating - review of rates and methodology	2	\$500.00
Vehicles for Hire - review of rates and methodology	5	\$1,250.00
Capital Maintenance Provision - critical review of	2	\$500.00
Asset Liability Management study - review for reasonableness and industry comparison	2	\$500.00
Develop First Round IRs	10	\$2,500.00
Review RSR/DCAT submission	6	\$1,500.00
Review of first round IR responses	8	\$2,000.00
Develop Second Round IRs	10	\$2,500.00
Review second round info request responses	3	\$750.00
Hearing Preparation	20	\$5,000.00
<b>Total</b>	<b>93</b>	<b>\$23,250.00</b>

**Oakwood Strategy Group Inc. - Peter Dyck**

<b>Activity</b>	<b>Time (Hours)</b>	<b>Cost (x \$240/hr)</b>
Review 2017 Annual Report, Preliminary review of 2019 GRA, Prepare draft Issues list and overview report for review, Review PUB Order 130/17 and 61/18-prepare list of items for review.	25	\$6,000.00
Detailed review of 2019 GRA, including DCAT and MCT reports; Claims, Revenue and Expense forecasts, IT projects and portfolio expenditures and benefits realization, Investment strategy and results, operational efficiency.	50	\$12,000.00
Draft round 1 IR's and review late submitted reports, if any.	40	\$9,600.00
Review round 1 IR's responses and draft round 2 IR's	35	\$8,400.00
Critically review intervener evidence and reports	5	\$1,200.00
Prepare briefing notes	30	\$7,200.00
Review transcripts and provide notes	15	\$3,600.00
<b>Total</b>	<b>200</b>	<b>\$48,000.00</b>

**Valter Viola**

<b>Activity</b>	<b>Time (Hours)</b>	<b>Cost (x \$240/hr)</b>
Prepare technical conference, review application, prepare initial case memos (March 2018 and June 2018), attend lawyer training session May 2018, prepare first round information requests and case memo (August 2018)	91	\$21,840.00
Prepare second round irs and update case memo	15	\$3,600.00
Finalize evidence	20	\$4,800.00
Prepare for and attend hearing and respond to undertakings	20	\$4,800.00
<b>Total</b>	<b>146</b>	<b>\$35,040.00</b>

**Wayne Simpson\***

<b>Activity</b>	<b>Time (Hours)</b>	<b>Cost (x \$175/hr)</b>
Review file, prepare information requests, file evidence if necessary and appear – interest rate forecasting methodology and changed circumstances since 2018/19 General Rate Application	80	\$14,000.00
<b>Total</b>	<b>80**</b>	<b>\$14,000.00***</b>

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\*\*The 80 hours is consistent with Dr. Simpson's approved bill of costs from the last general rate application

\*\*\*A more detailed budget will be submitted in the event that the Dr. Simpson is retained.

**Alleyne Inc. - Wallace Pitt\***

<b>Activity</b>	<b>Time (Hours)</b>	<b>Cost (x \$175/hr)</b>
Review file, prepare information requests, prepare case memos on issues relating to material change in information technology strategy and material changes in Physical Damage Re-engineering project including write offs of certain projects, assist with cross examination of Gartner Group	78	\$13,650.00
<b>Total</b>	<b>78**</b>	<b>\$13,650.00***</b>

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\*\*The 78 hours is consistent with Mr. Pitt's approved bill of cost from the last general rate application

\*\*\*A more detailed budget will be submitted in the event that the Mr. Pitt is retained.