



January 26, 2024

**Via E-Mail**

The Public Utilities Board  
400 – 330 Portage Avenue  
Winnipeg, MB R3C 0C4

**Attention: Dr. Darren Christle, Board Secretary and Executive Director**

Dear Dr. Christle:

**RE: Manitoba Public Insurance (MPI) 2024 General Rate Application (GRA) Reply to the Response of CAC Manitoba (CAC) to the Application of MPI to Review and Vary Public Utilities Board (PUB) Order 145/23**

MPI offers a limited reply to the correspondence of the CAC dated January 24, 2024.

### **Directive 10.10(b) – Revised Scope of Project Nova**

MPI categorically rejects the claim that it has not acted in a manner that is consistent with its commitment to transparency. With respect, the CAC incorrectly interprets the nature of the PUB error claimed by MPI in this particular case. MPI respectfully submits that the error is not that the PUB suggested that the scope of Project Nova changed since its inception. Rather, the error is that the PUB found, as fact, “that revising the scope of Project NOVA is the only way that MPI can complete it [Nova] within the 2022 IT Baseline estimated budget (and in a way which minimizes usage of contingency).” (Emphasis added) Without this finding of fact, the requirement to revise the scope of Project Nova to achieve the aim of completing the project within the 2022 IT Baseline budget is meaningless. MPI established and relied upon facts that were relevant and necessary to its grounds for relief. The fact that the PUB previously found that the scope of Project Nova did change from its inception is not relevant for the purposes of determining whether it is appropriate to vary Directive 10.10(b).

To be clear, Directive 10.10(b) is predicated on a finding of fact that was not established in evidence. The uncontroverted evidence from MPI was that the current scope of the project is expected to fall within the 2022 IT Baseline budget, which necessarily means that a “revised scope” is not required to comply with the directive.

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Indeed, MPI requests a variation of Directive 10.10(b) so it can bring forward a strategy that it believes will satisfy the expectations of the PUB. If those expectations can be satisfied without scope revisions, MPI submits that it should not be denied this opportunity.

However, if the PUB is not inclined to vary the directive as requested, MPI is agreeable with the suggestion of the CAC to replace the words “revised scope” with the words “current scope.”

### **Directive 10.11(b) – MNP Interim Governance Report**

While MPI has not discounted the possibility of such a report, in the absence of any amendment to the scope of work (as suggested by the CAC), compliance with this directive is best accomplished with the production of the monthly reports, as was done with the previous governance vendor (PwC). And, as was done with PwC in the 2023 GRA, a representative from MNP could be produced at the hearing of the GRA in October 2024 to provide more fulsome evidence on the progress of Project Nova.

### **Directive 10.12 – Funding Envelopes (Separate Meeting with PUB for Project Nova)**

MPI agrees with the CAC that it has proposed the IT Summit in lieu of the separate meeting in Directive 10.12 and says that this is preferred given the reporting expectations of the Government of Manitoba (for Project Nova) and the timing uncertainty of that reporting.

### **Directive 10.13(a) – Strategy for Assignment of Contingency Percentages**

This directive did not ask MPI to develop a strategy for contingency percentages, and so use of the word “process” is preferred, which MPI will provide details of in the 2025 GRA.

### **Other Adjustments**

MPI agrees with the CAC that the errors identified by MPI can be resolved independently by the PUB under the process identified at Rule 36(9). MPI notes that it originally brought these errors to the attention of the PUB and was specifically asked to identify and include



them in its review and vary application. MPI appreciates that the CAC may not have been aware of this specific request.

MPI notes that the CAC was the only Intervener to respond to the review application and offers no adverse reply to Directives 10.10(c) and 10.10(d).

MPI therefore requests that the PUB grant the relief requested in its review and vary application.

Respectfully submitted,

Steve M. Scarfone  
Legal Counsel

SMS/

cc: *K. McCandless and PUB Advisors via email*  
*2024 GRA Registered Interveners via email*

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