

Order No.88/20

**MANITOBA PUBLIC INSURANCE CORPORATION (MPI OR THE CORPORATION):
PROCEDURAL ORDER FOR THE 2021/22 GENERAL RATE APPLICATION**

July 6, 2020

**BEFORE: Irene A. Hamilton, Q.C., Panel Chair
Robert Gabor, Q.C., Chair
Robert Vandewater, Member**

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SUMMARY

By this Order, the Public Utilities Board of Manitoba (Board) accepts Interveners to the Board's public hearing of the General Rate Application (GRA or Application) of Manitoba Public Insurance Corporation (MPI or Corporation), for the review and approval of base rates and premiums for universal compulsory driver and vehicle insurance to take effect April 1, 2021.

The Board also provides Interveners with direction, establishes the Final Issues List and the Timetable for this proceeding, and provides MPI and Interveners with direction with respect to certain procedural matters.

1.0 INTRODUCTION

MPI filed the Application on June 17, 2020. In the Application, MPI seeks approval of an overall 10.5% rate decrease on a provisional basis, based on the Naïve interest rate forecast as at March 31, 2020. On October 9, 2020, MPI will file a final rate indication (Final Rate Indication), which may vary from the 10.5% provisional rate reduction.

The Board held a Pre-Hearing Conference (PHC) at its offices in Winnipeg on Tuesday, June 30, 2019, for the purposes of:

- Considering applications from prospective interveners (Interveners) and matters related thereto;
- Considering procedural matters and the issues to be decided by the Board in the GRA, and more particularly, any variations to the Preliminary Issues List approved in Board Order 79/20;

- Hearing requests from prospective Interveners for pre-qualification of expert witnesses;
- Considering the process for the treatment of Commercially Sensitive Information (CSI);
- Considering the documentation to be filed by MPI on October 9, 2020, in support of the Final Rate Indication; and
- Establishing a timetable for the hearing.

This Order arises from the PHC.

At the PHC, the following exhibits were entered into the record of this proceeding by Board counsel:

1. Notice of Public Hearing and PHC, dated June 20, 2020;
2. The Board's Rules of Practice and Procedure;
3. Proposed hearing timetable;
4. Letter issued by the Board Secretary to MPI and prospective Interveners dated June 17, 2020, with attachments;
5. Letter issued by the Board Secretary to MPI and prospective Interveners dated June 17, 2020, in respect of the process for pre-qualification of expert witnesses; and
6. Board Interim Procedural Order 79/20, which established the Preliminary Issues List for this GRA.

At the PHC, the following exhibits were entered into the record of this proceeding by MPI:

1. General Rate Application;
2. Supplemental GRA Filing of Revenue Appendix 3, Revenue Appendix 4, and Claims Incurred Appendix 13;
3. MPI's presentation for Pre-Hearing Conference; and
4. - 7. MPI's proposed process for the treatment of CSI with proposed undertakings and agreements.

The parties seeking Intervener status were asked to:

1. Indicate their constituency and interests;
2. Outline the areas of the GRA that they intend to test;
3. Provide their reasons for requesting Intervener status;
4. Specify their plans to call evidence/witnesses; and
5. Indicate their interest with respect to seeking an award of costs, and, if interest was expressed, to provide a draft budget.

The following parties applied for Intervener status within the GRA proceeding:

1. Consumers' Association of Canada (Manitoba) Inc. (CAC), represented in person at the PHC by counsel, Mr. Byron Williams and Mr. Max Griffin-Rill, Articling Student;
2. Coalition of Manitoba Motorcycle Groups Inc. (CMMG), represented in person at the PHC by counsel, Ms. Charlotte Meek;
3. Insurance Brokers Association of Manitoba (IBAM), represented in person at the PHC by counsel, Ms. Jennifer Sokal; and

4. Duffy's Taxi Ltd. and Unicity Taxi Ltd. (Taxi Coalition), represented in person at the PHC by counsel, Mr. Antoine Hacault.

MPI was represented at the PHC by counsel, Mr. Steve Scarfone and Mr. Anthony Lafontaine Guerra.

Prior to the filing of the GRA, on June 2, 2020, the Board issued Interim Procedural Order 79/20. The purpose of Order 79/20 was to establish a Preliminary Issues List for the GRA. By letter to MPI dated April 6, 2020, copied to interested parties and prospective Interveners, the Board invited MPI and the interested parties and prospective Interveners to provide their comments on the scope of the issues, following which Order 79/20 issued. In addition, the Minimum Filing Requirements (MFRs) for the 2021 GRA were provided to MPI following the issuance of Order 79/20. The Board held in Order 79/20 that a Final Issues List would be approved by the Board in this Procedural Order.

The Preliminary Issues List approved by the Board in Order 79/20 was as follows:

The following issues are considered within the scope of the 2021 GRA in the normal course:

1. *Requested vehicle rate and any changes to other fees and discounts;*
2. *Rate indication based on accepted actuarial practice in Canada;*
3. *Compliance with Board Orders 176/19, 6/20, 46/20 and 67/20;*
4. *Financial forecast:*
 - a. *financial forecast accuracy (2019/20 forecast versus actual results, including 13-month fiscal year impact);*
 - b. *changes in projected financial results;*
 - c. *update of the interest rate forecast; and*

- d. support for the use of the interest rate forecast proposed;*
- 5. Annual Business Plan;*
 - 6. Changes, if any, to integrated cost allocation methodology;*
 - 7. Capital Management Plan (CMP);*
 - 8. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix);*
 - 9. Cost of operations and cost containment measures;*
 - 10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years;*
 - 11. Claims forecasting (including PIPP);*
 - 12. Claims experience to date for the Vehicles for Hire (VFH) class and implications, if any, of new market entrants;*
 - 13. Driver Safety Rating (DSR), including but not limited to MPI's progress towards changes to the DSR system;*
 - 14. Operational benchmarking;*
 - 15. Run-off of prior year claims during 2019/20;*
 - 16. Risk Assessment and Risk Management; and*
 - 17. Other issues that may arise (depending upon the nature and scope of the issue) based on a review of the application.*

The following issues require more detailed consideration at the 2021 GRA:

18. *Issues arising from the 2021 Special Rebate Application and Board Orders No. 67/20 and 71/20, including but not limited to:*

- a. Claims forecasting versus actual results;*
- b. Assumptions in the Special Rebate Application forecast;*
- c. Implementation of and deviation from the CMP; and*
- d. Operational and financial impact of COVID-19 on MPI financial results and CMP for the 2020/21 and 2021/22 rating years and beyond;*

19. *Impact of the changes to Basic coverage and deductibles enacted on May 7, 2020;*

The following issues are deferred from the 2021 GRA to future applications, or will be the subject of a technical conference or another process:

20. *Road Safety (other than costs and budget of Road Safety programs);*

21. *Interest Rate Forecasting (other than update referred to in items 4c and 4d above);*

22. *Long tail experience from other jurisdictions, in particular, Québec and Saskatchewan; and*

23. *Integrated Cost Allocation Methodology (other than changes referred to in item 6 above).*

Prior to the PHC, on June 17, 2020, the Board issued a letter with respect to both the GRA and processes implemented by the Board, including MFRs to be followed by MPI, and the scheduling of an Application Overview Workshop (Workshop). At the Workshop, any variations from the Preliminary Issues List to the Final Issues List proposed by the parties were to be discussed and identified.

2.0 APPLICATIONS FOR INTERVENER STATUS

2.1 CAC

CAC is a volunteer, non-profit independent organization, working to inform and empower consumers and to represent the consumer interest in Manitoba. CAC advised that it aims to protect and reconcile the interests of all MPI customers with a particular emphasis on members of the private passenger class. CAC intends to present an evidence-based intervention guided by a principled consideration of the consumer interest.

The areas in which CAC advised it intends to test the evidence of MPI include, among others:

- The implications of COVID-19 on the short and long term circumstances of MPI including the implications on rates, claims incurred and the Capital Management Plan (CMP);
- The implications of the rollout of new coverage flowing from MPI's Compulsory and Extension Review Project (CERP);
- The reliability of MPI's claims incurred forecast;
- Risks and opportunities for Manitoba ratepayers with respect to Project Nova; and
- Trends in Basic expenditures over the next three years.

CAC advised that it intends to appear throughout the hearing, to participate in the testing of evidence and cross-examination, and to present final argument. At this time CAC does not intend to call any witnesses, but it reserved the right to provide expert evidence following receipt of responses to first round Information Requests.

CAC advised that it will seek a costs award for its participation in the GRA.

2.2 CMMG

CMMG is a volunteer, non-profit organization, which has appeared before the Board since 1992. It advised that it intends to intervene in this GRA to provide assistance to the Board in critically analyzing the Application with a specific focus on the implications for the Motorcycle class. The specific areas it intends to examine are:

- MPI's rate setting methodology, including MPI's progress towards the Driver Safety Rating (DSR) system;
- MPI's investment strategy;
- Actual versus forecast loss experience;
- Claims forecasting;
- Issues arising from the impact of COVID-19 in this GRA and in future years, with a specific focus on the Motorcycle class; and
- The impact of CERP, particularly with respect to the Motorcycle class.

CMMG advised that it intends to appear throughout the hearing, to participate in the testing of evidence and cross-examination, but will not be calling any witnesses. CMMG indicated that it intends to seek a costs award.

2.3 IBAM

IBAM represents the interests of insurance brokers and private insurance agents, and consumers of property and casualty insurance throughout Manitoba. IBAM currently has over 2,000 broker members.

IBAM advised that it intends to intervene in this GRA only with respect to MPI's costs of operations and cost containment measures. The Board held in Order 176/19 following the

2020 GRA that it did not have the jurisdiction to issue certain directives that had been requested by IBAM, regarding the provision of MPI's agreements with its service providers, including IBAM. Recognizing this, IBAM proposed a narrower focus to its intervention in this GRA than in the 2020 GRA. IBAM advised that when submissions are made by MPI or other Interveners regarding broker commissions and fees and/or direct sales, IBAM would address, clarify and add significant value to the dialogue. IBAM requested intervener status so that these issues are fully and properly before the Board.

IBAM advised that it intends to appear throughout the hearing, to participate in the testing of evidence and cross-examination and make submissions, but will not be calling any witnesses or filing any evidence. IBAM intends to seek an award of costs.

2.4 Taxi Coalition

The Taxi Coalition is comprised of two independently operated dispatch companies providing service in Winnipeg and the surrounding area, representing approximately 80% of the 617 Taxicab Vehicles for Hire (Taxi VFH), and 22% of the Accessible VFH in Manitoba.

The Taxi Coalition advised that it seeks to intervene in the GRA in order to test the reasonableness of Basic premiums for the Taxi VFH class against the Passenger VFH class, which offer substantially similar services. The Taxi Coalition intends to examine:

- Experience forecasting and ratemaking approaches and rating assumptions that generate difference in premiums between the Taxi VFH and Passenger VFH classes;
- The reasonableness of forecasting and ratemaking approaches for Accessible VFH and Limousine VFH uses, and All Purpose Private Passenger VFH classes, in comparison to the Taxi VFH class

- The implications of the current DSR system for the VFH classes, including the effect of vehicle premium discounts and drivers licence surcharges on just and reasonable rates; and
- The efficacy and implications of certain loss prevention programs targeted at the Taxi VFH industry, as they relate to the loss experience of this class for rate-setting purposes.

The Taxi Coalition advised that it intends to appear throughout the hearing, and to participate in the testing of evidence and cross-examination and to make submissions. It may also adduce evidence, and if so, will make that determination following the receipt of MPI's responses to Information Requests. The Taxi Coalition intends to seek an award of costs.

2.5 MPI

MPI did not take issue with the applications for intervention of CAC, CMMG, or the Taxi Coalition.

MPI opposed IBAM's intervention, on the basis that IBAM's focus was primarily on its own business interests regarding commissions and fees, which are set out in an existing broker accord that remains in place until 2021.

3.0 PRELIMINARY ISSUES LIST

MPI and the prospective Interveners provided comments on the Preliminary Issues List. All prospective Interveners were in general agreement with the list and did not recommend any changes, although their particular areas of focus will vary depending on the interests they represent.

MPI proposed variations from the Preliminary Issues List, or sought to limit the review, of the following issues:

- Issues 4(c) and (d): Update of the interest rate forecast and support for the interest rate forecast proposed;
- Issue 7: CMP;
- Issue 12: Claims experience to date for the VFH class and implications, if any, of new market entrants; and
- Issue 13: DSR, including but not limited to MPI's progress towards changes to the DSR system.

With respect to Issues 4(c) and (d), MPI suggested that they be deferred. MPI's position was that it will file the Final Rate Indication based on an update to the Naïve interest rate, and there should be no analysis of either the Standard Interest Rate Forecast (SIRF) or the 50/50 interest rate forecast and their impact on rates. The basis for MPI's position was that following the 2019 and 2020 GRAs, the Board accepted the use of the Naïve interest rate forecast for rate-setting purposes. On the basis of the Board's Order No. 176/19, there is a presumption in favour of the use of the Naïve forecast, which should not be rebutted unless there is compelling evidence supporting the use of another forecasting methodology.

MPI's position with respect to Issue 7 was that there should be no examination of the mechanics of the CMP in this GRA, because that was canvassed and ultimately approved by the Board in the 2020 GRA. MPI also argued that its reasons for not following the CMP – by issuing a rebate of \$52 million from its Extension line of business directly to ratepayers, instead of transferring it to Basic – were fully reviewed in the Special Rebate Application in April of 2020, and therefore do not need further consideration in this GRA.

Issue 12, according to MPI, should be subject only to a consideration of the claims experience, but not to the overall fairness of the VFH premiums. Similarly, MPI's position with respect to Issue 13 was that its scope should be narrowed to explore only MPI's progress on its review of the DSR but not to the overall fairness of the rating system. The reasons for this, according to MPI, are that: (1) changes to the DSR system require regulatory approval, which takes 12-18 months from initiation; and (2) MPI's IT systems legacy modernization, Project Nova, is a significant undertaking and MPI has not yet determined whether changes to the DSR would be coordinated with the completion of Project Nova or would take place sometime after. As a result, MPI is only looking at making adjustments within its current DSR system at this time, rather than a wholesale change to the model used.

4.0 PRE-QUALIFICATION OF EXPERT WITNESSES

At the PHC, the Board employed its process for the pre-qualification of expert witnesses. The process was as follows:

1. The party intending to call an expert witness in the GRA hearings provided notice to the Board of the intention to have the witness qualified, and provided the *curriculum vitae* of the witness to the Board, along with the proposed area(s) of qualification.
2. At the PHC, the party seeking pre-qualification made submissions to the Board as to the qualifications of the witness and made the request for pre-qualification. The witness was not called to be examined on his or her qualifications.
3. The other parties were canvassed as to their positions on the request for pre-qualification.

4.1 MPI

MPI did not request pre-qualification of any expert witnesses.

4.2 Interveners

CAC, CMMG, and IBAM did not request pre-qualification of any expert witnesses.

The Taxi Coalition requested pre-qualification of two expert witnesses:

- Patrick Bowman, Principal Consultant, Bowman Economic Consulting Inc.; and
- Jeff Crozier, Consultant, InterGroup Consultants Ltd.

Mr. Bowman provides consulting services on utility regulation through Bowman Economic Consulting Inc. Mr. Bowman holds a Master of Natural Resources Management from the University of Manitoba, which he obtained in 1998. From 1998 to 2020, he was employed with InterGroup Consultants Ltd., where he conducted research and analysis for regulatory and rate reviews of electric, gas and water utilities in a number of Canadian provinces, and internationally. Mr. Bowman has testified before utility regulatory tribunals in British Columbia, Alberta, Manitoba, Newfoundland and Labrador, Yukon and the Northwest Territories on revenue requirements, regulatory governance, risk evaluation, cost of service, and rate design. The Taxi Coalition asked that Mr. Bowman be pre-qualified as an expert in the application of regulatory principles and concepts appropriate for regulated Crown utilities, including financial forecasts, revenue requirements, cost allocation principles, and rate design.

Mr. Crozier holds a Master of Arts in Economics from McGill University, which he obtained in 2005. Mr. Crozier was employed as Director of Regulatory Affairs with MPI from 2016 to 2020, where he was accountable for and oversaw the development of the GRA. He recently joined InterGroup Consultants Ltd. The Taxi Coalition did not confirm that it would

be calling Mr. Crozier to testify in the public hearings, but asked that Mr. Crozier be pre-qualified in the area of regulated auto insurance generally.

MPI consented to the pre-qualification of Mr. Bowman. MPI was not prepared to consent to Mr. Crozier's pre-qualification, first, because he might not be called to testify by the Taxi Coalition, and second, because he only recently left his employment with MPI and helped prepare and strategize for this Application in that capacity.

Among the prospective Interveners, CAC agreed that Mr. Bowman and Mr. Crozier are qualified. No other prospective Interveners took any position regarding the Taxi Coalition's proposed experts.

5.0 PROCEDURAL MATTERS

5.1 *Commercially Sensitive Information*

Pursuant to Rule 13(2) of the Board's Rules of Practice and Procedure, the Board may receive information in a proceeding on any terms it considers appropriate in the public interest.

MPI proposed that in this GRA the Board follow a process that would allow parties who execute the requisite documents to have access to presumptively confidential material, with the confidential status of all materials claimed as such to be determined by the Board later in the proceedings, in an omnibus motion. The process proposed by MPI was first used in the 2020 GRA, and is as follows:

1. Interveners (and their legal counsel, representatives, employees, advisors, consultants and assistants) and professional advisors to the Board (and their representatives, employees, consultants and assistants) seeking access to confidential material will be required to execute:

- a. an undertaking;
 - b. a confidentiality agreement in favour of MPI; and
 - c. where applicable, a confidentiality agreement in favour of a third party vendor.
2. The undertakings and confidentiality agreements set out in items 1 will apply to material filed with the Board and initially claimed as confidential by MPI, and ultimately found to be confidential by the Board following the omnibus motion referred to in item 4 below.
 3. Where MPI intends to claim certain material as confidential (and therefore subject to the conditions as set out in item 1):
 - a. in the public version of the filing, MPI will indicate that a claim for confidentiality has been made over that material, and redact such information as is necessary;
 - b. MPI will file the material with the Board, with a cover letter identifying it as confidential and indicating MPI's intention to seek a determination of confidential status pursuant to Rule 13; and
 - c. at the same time, MPI will provide the material claimed as confidential in a non-redacted form to those interveners and professional advisors to the Board who have provided the undertakings and confidentiality agreements set out in item 1.
 4. Once all material claimed as confidential for the 2021 GRA has been filed with the Board, MPI will file an omnibus motion pursuant to Rule 13 of the Board's Rules of Practice and Procedure, seeking confidential status of the material. The Board will then determine the process it intends to follow regarding the hearing of the motion, and will issue a decision on the confidential status of the material.

5. Any documents or information found not to be confidential by the Board will be placed on the public record, subject to MPI's right to withdraw the material pursuant to Rule 13(5).

CAC, CMMG, and IBAM all indicated their agreement with the proposal. The Taxi Coalition did not oppose the process, although it had some questions for clarification as to the specific undertaking and agreements to be signed, which clarification was provided at the Pre-Hearing Conference.

5.2 Final Rate Indication

As set out above, in the Application, MPI has sought approval of an overall rate decrease of 10.5%, on a provisional basis. MPI will file the Final Rate Indication prior to the commencement of the public hearings.

In the Application, MPI proposed that it file the following materials in support of the Final Rate Indication:

1. Pro Formas PF-1, PF-2, PF-3;
2. Extension Pro Formas EPF-1, EPF-3;
3. Ratemaking Figures RM-1, RM-12, RM-13, RM-14; and
4. Investments Figure INV-13.

MPI proposed that these updates be based on the Naïve interest rate forecast, and that they include a narrative of the material impacts of the interest rate on its Pro Forma Financial Statements and its responses to Information Requests.

At the Pre-Hearing Conference MPI proposed to file, in addition to the above:

5. Ratemaking Figures RM-17, RM-18, RM-19; and

6. A comparison of changes to pro forma financial statements from the Application as filed, to the date of the Final Rate Indication.

CAC also proposed that as part of the filing, MPI include Pro Formas PF-5 and PF-6, to which MPI agreed. MPI also advised that it would be prepared to provide amendments to any sections of the Application that are materially affected by the Final Rate Indication.

5.3 Timetable

The Board heard submissions from the parties on the proposed timetable for the hearing.

The prospective Interveners were in general agreement with the hearing schedule. In the proposed timetable, the public hearings are to commence on October 19, 2020, and continue for a period of three weeks, to November 6, 2020. MPI's position was that there was no need to schedule a third week of hearings and that based on the anticipated issues and witnesses for this GRA, the public hearings could be completed within two weeks. MPI argued that the parties can use a robust Information Request process to scrutinize the record thoroughly, reducing the length of cross-examinations in the oral hearings.

CAC's position was that it was critical to schedule three weeks for the hearing. First, in its view, the Application as filed is "impoverished", which could result in the need for more extensive discovery. Second, the parties will be in a better position in the fall to estimate the time needed for the hearing. Lastly, COVID-19 has created a climate of uncertainty and there could be a material change in MPI's circumstances between now and the hearings, which could lead to a longer hearing. CAC's estimate was that 12 days would be needed for the hearing.

CMMG argued that because the number of issues to be reviewed in detail in this GRA is smaller than previous years, maintaining three weeks for the hearing would provide the parties with an opportunity to review issues that have been limited in prior years, such as

the DSR. CMMG agreed with CAC that whether three weeks is required would be better decided in the fall as the hearing approaches.

The Taxi Coalition was of the view that the length of the hearing will be contingent on the Final Rate Indication, and there may be significant follow-up to be done by the Interveners following that filing.

6.0 BOARD COMMENTS AND DECISIONS

6.1 *Interveners*

After considering all of the submissions with respect to Intervener applications, the Board grants Intervener status to each of CAC, CMMG and the Taxi Coalition.

The Board dismisses the application for Intervener status of IBAM. The Board finds that the intervention as proposed by IBAM would not assist it in determining whether the rate applied for by MPI is just and reasonable. The issue of broker commissions was extensively reviewed in the 2020 GRA and the Board has made clear the extent of its jurisdiction in that regard. The Board does not understand how IBAM's participation, without witnesses or evidence, would provide any assistance to it when counsel for the Board and other Interveners will be cross-examining MPI on cost containment. The Board does not require IBAM's intervention in order to assess the reasonableness or prudence of MPI's expenditures with respect to broker commissions.

Attached to this Order as **Schedule "A"** is the rate sheet by which Board counsel and counsel for the Interveners shall have their rates set, according to years of seniority at the Bar.

As always, the Board expects a high degree of co-operation among all Interveners and with Board counsel to avoid duplication and restrain regulatory costs.

In accordance with Board's Intervener Cost Policy (Policy) at Section 9.0, approved interveners must file detailed cost estimates, which follow the requirements of the Policy, with the Board no later than July 20, 2020. Board staff may provide comments on cost estimates but these are not binding. Board approval will only be granted when it determines the cost awards applications after the hearing. Interveners assume the risk that the Board may assess no costs, or a costs award lower than applied for.

Interveners should review the Policy and Part IV - Awarding Costs of the Board under the Board's Rules of Practice and Procedures that can be found on the Board web site.

6.2 Final Issues List

The Board has taken into consideration the submissions made by MPI and the Interveners and finds that no changes are required to the issues list approved on a preliminary basis in Order 79/20.

Issues 4(c) and 4(d) will remain as issues in the normal course in the GRA. The Board made clear in Order 176/19 following the 2020 GRA that the Naïve forecast would be used for rate-setting absent compelling evidence to the contrary. Given the current climate of uncertainty resulting from COVID-19, the Board is not prepared at this early stage of the proceedings to forego any consideration of interest rates as doing so provides context for evaluating the impact of the Naïve forecast on rate-setting. However, absent a significant change in circumstances, the Board's view remains as set out in Order 176/19 and it does not intend to revisit the issue of interest rate forecasting in any detail in this GRA.

Issue 7, the CMP, is central to any rate application and therefore remains an issue in the normal course. While the level of detail of review, and the particular aspects of focus of the CMP may vary from year to year, it remains relevant in any GRA. Further, the Board does not accept MPI's position that the CMP was fully explored in the Special Rebate Application, which proceeded on an emergency basis without full discovery.

The Board is not prepared to restrict Issues 12 or 13 as proposed by MPI. The VFH class is relatively new, having been introduced on March 1, 2018, and the Board has not yet undertaken a review of all aspects of the VFH class since its introduction. Consideration of the fairness of the application on the VFH class is warranted now that MPI has over two years of experience. With respect to the DSR, the Board has made clear in its previous Orders that MPI should consider whether to pursue a new model for the DSR. MPI's progress in that regard remains relevant and of interest to the Board, notwithstanding that MPI has indicated that at this time it only intends to pursue a more actuarially sound DSR rating scale. The Board is concerned that delaying the implementation of changes to the DSR until after Project Nova is completed may present a significant barrier to those changes.

6.3 *Pre-Qualification of Expert Witnesses*

The Board has reviewed and considered the qualifications of the proposed expert witnesses put forward by the Taxi Coalition. The Board accepts that Patrick Bowman is qualified as an expert on the terms as proposed by the Taxi Coalition. Therefore, the Board will not require that he be examined on his expertise should he be called to testify in the public hearings. Given that MPI opposed the pre-qualification of Jeff Crozier, in accordance with the Board's pre-qualification process, Mr. Crozier will not be qualified at this time and the issue is deferred to the public hearings, where Mr. Crozier will be subject to cross-examination on his qualifications.

6.4 *Commercially Sensitive Information*

The Board has taken into account the positions of the Interveners regarding the treatment of CSI, and approves the process as proposed by MPI. Should any disagreements arise between the parties in the implementation of the process, the parties should attempt to resolve them informally. If a resolution cannot be reached the matter may then be brought

before the Board. The process for the treatment of CSI is attached hereto as **Schedule "B"**.

6.5 Final Rate Indication

The documents proposed by MPI in the Application, along with those additional documents MPI indicated at the Pre-Hearing Conference it is prepared to file are necessary and appropriate for a consideration of the Final Rate Indication. A list of the documents to be filed by MPI is attached hereto as **Schedule "C"**.

6.6 Timetable

The timetable approved by the Board is attached hereto as **Schedule "D"**.

The Board has set as hearing dates with respect to the GRA the following: October 19 - 23, 2020, October 26 - 30, 2020, and November 2 - 6, 2020 (a total of 15 hearing days). The Board will not restrict the hearing to two weeks. It is not yet known what the Information Request process will bear out, and whether the hearing will or will not require extensive cross-examination. By virtue of the Final Rate Indication, the Board and Interveners will be receiving a significant amount of new information shortly before the hearing. In scheduling three weeks, the Board is using reasonable measures to ensure that there will be sufficient time to complete the hearing. The Board requires sufficient time to hear evidence and cannot be constrained by artificial time limits. The Board expects that as this GRA proceeds and the hearing approaches, the witness schedule will be organized to try to complete the hearing as quickly as possible. Therefore, it is the Board's expectation that some of these hearing dates may not be utilized, but all days are reserved to permit flexibility in scheduling.

Attached hereto as **Schedule "E"** are the procedures to be followed over the course of the GRA process, and attached hereto as **Schedule "F"** is the Information Request format to be utilized by all parties to the GRA. As provided for within the format, the party

submitting an Information Request must reflect the rationale for the question. Similarly, and as also provided for within the format, should a full or partial answer be refused, the party refusing to answer or fully answer the question must reflect the rationale for the refusal.

7.0 IT IS THEREFORE ORDERED THAT:

1. Interveners to the hearing shall be:
 - (a) Consumers' Association of Canada (Manitoba) Inc. (CAC);
 - (b) Coalition of Manitoba Motorcycles Groups Inc. (CMMG); and
 - (c) Duffy's Taxi Ltd. and Unicity Taxi Ltd. (Taxi Coalition).
2. The application for Intervener status filed by the Insurance Brokers Association of Manitoba is dismissed.
3. The Final Issues List for the 2021 GRA shall be as follows:

The following issues are considered within the scope of the 2021 GRA in the normal course:

1. Requested vehicle rate and any changes to other fees and discounts;
2. Rate indication based on accepted actuarial practice in Canada;
3. Compliance with Board Orders 176/19, 6/20, 46/20 and 67/20;
4. Financial forecast:
 - a. financial forecast accuracy (2019/20 forecast versus actual results, including 13-month fiscal year impact);

- b. changes in projected financial results;
 - c. update of the interest rate forecast; and
 - d. support for the use of the interest rate forecast proposed;
5. Annual Business Plan;
 6. Changes, if any, to integrated cost allocation methodology;
 7. Capital Management Plan (CMP);
 8. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix);
 9. Cost of operations and cost containment measures;
 10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years;
 11. Claims forecasting (including PIPP);
 12. Claims experience to date for the Vehicles for Hire (VFH) class and implications, if any, of new market entrants;
 13. Driver Safety Rating (DSR), including but not limited to MPI's progress towards changes to the DSR system;
 14. Operational benchmarking;
 15. Run-off of prior year claims during 2019/20;
 16. Risk Assessment and Risk Management; and

17. Other issues that may arise (depending upon the nature and scope of the issue) based on a review of the application.

The following issues require more detailed consideration at the 2021 GRA:

18. Issues arising from the 2021 Special Rebate Application and Board Orders No. 67/20 and 71/20, including but not limited to:

- a. Claims forecasting versus actual results;
- b. Assumptions in the Special Rebate Application forecast;
- c. Implementation of and deviation from the CMP; and
- d. Operational and financial impact of COVID-19 on MPI financial results and CMP for the 2020/21 and 2021/22 rating years and beyond;

19. Impact of the changes to Basic coverage and deductibles enacted on May 7, 2020;

The following issues are deferred from the 2021 GRA to future applications, or will be the subject of a technical conference or another process:

20. Road Safety (other than costs and budget of Road Safety programs);

21. Interest Rate Forecasting (other than update referred to in items 4c and 4d above);

22. Long tail experience from other jurisdictions, in particular, Québec and Saskatchewan; and

23. Integrated Cost Allocation Methodology (other than changes referred to in item 6 above).

4. **Schedule "B"**, as attached, shall be the process for the treatment of Commercially Sensitive Information by the participating parties.
5. MPI shall file the documents as set out in **Schedule "C"**, as attached, on or before October 9, 2020, in respect of the Final Rate Indication.
6. The Timetable attached as **Schedule "D"** shall apply with respect to the hearing of the GRA.

THE PUBLIC UTILITIES BOARD

"Irene A. Hamilton, Q.C."

Panel Chair

"Jennifer Dubois, CPA, CMA"

Assistant Associate Secretary

Certified a true copy of Order No. 88/20
issued by The Public Utilities Board



Assistant Associate Secretary

SCHEDULE "A"**PUBLIC UTILITIES BOARD OF MANITOBA****RATE STRUCTURE****(Effective as of May 14, 2019)**LEGAL COUNSEL:

| | |
|---|----------------|
| 20 or more years of relevant experience | Up to \$300/hr |
| 15-19 years | Up to \$255/hr |
| 10-14 years | Up to \$200/hr |
| 5-9 years | Up to \$150/hr |
| Base rate (new lawyer) | Up to \$105/hr |

ACCOUNTANTS:

| | |
|---|----------------|
| 20 or more years of relevant experience | Up to \$255/hr |
| 15-19 years | Up to \$215/hr |
| 10-14 years | Up to \$180/hr |
| 5-9 years | Up to \$145/hr |
| Base rate (new accountant) | Up to \$105/hr |

ENGINEERING SERVICES:

| | |
|---|----------------|
| 20 or more years of relevant experience | Up to \$210/hr |
| 15-19 years | Up to \$185/hr |
| 10-14 years | Up to \$160/hr |
| 5-9 years | Up to \$135/hr |
| Base rate (new engineer) | Up to \$105/hr |

SCHEDULE "B"

Process for Treatment of Commercially Sensitive Information

1. Interveners (and their legal counsel, representatives, employees, advisors, consultants and assistants) and professional advisors to the Public Utilities Board of Manitoba (the Board) (and their representatives, employees, consultants and assistants) seeking access to confidential material shall execute:
 - a. an undertaking in the form attached hereto;
 - b. a confidentiality agreement in favour of The Manitoba Public Insurance Corporation (MPI) in the form attached hereto; and
 - c. where applicable, a confidentiality agreement in favour of the third party vendor.
2. The undertakings and confidentiality agreements set out in items 1 will apply to material filed with the Board and initially claimed as confidential by MPI, and ultimately found to be confidential by the Board following the omnibus motion referred to in item 4 below.
3. Where MPI intends to claim certain material as confidential (and therefore subject to the conditions as set out in item 1):
 - a. in the public version of the filing, MPI will indicate that a claim for confidentiality has been made over that material, and redact such information as is necessary;
 - b. MPI will file the material with the Board, with a cover letter identifying it as confidential and indicating MPI's intention to seek a determination of confidential status pursuant to Rule 13; and
 - c. at the same time, MPI will provide the material claimed as confidential in a non-redacted form to those interveners and professional advisors to the Board who have provided the undertakings and confidentiality agreements set out in item 1.
4. Once all material claimed as confidential for the 2021 GRA has been filed with the Board, MPI shall file an omnibus motion pursuant to Rule 13 of the Board's Rules of Practice and Procedure, seeking confidential status of the material. The Board will then determine the process it intends to follow regarding the hearing of the motion, and will issue a decision on the confidential status of the material.
5. Any documents or information found not to be confidential by the Board will be placed

on the public record, subject to MPI's right to withdraw the material pursuant to Rule 13(5).

6. The above process is subject to the following:
 - a. The Board will not require the provision of an undertaking of confidentiality as a condition of granting intervener status in the GRA. However, any intervener wishing to access any confidential material will be required to provide executed undertakings and confidentiality agreements as set out below.
 - b. Should any third party vendor require a confidentiality agreement other than the one previously provided by MPI and attached hereto, MPI will be required to obtain Board approval of the form of confidentiality agreement to be signed.
 - c. Board staff shall not be required to give undertakings or execute confidentiality agreements as they are (a) subject to an oath of office which requires that they maintain the confidentiality of any information designated as such; and (b) are immune from personal liability for anything done by them in carrying out their duties, pursuant to section 23 of *The Public Utilities Board Act*.

UNDERTAKING OF CONFIDENTIALITY**To: THE PUBLIC UTILITIES BOARD OF MANITOBA ("the PUB")**

WHEREAS on July 6, 2020, in Procedural Order 88/20 (the "Order"), the PUB approved a process for the treatment of confidential/commercially sensitive information (the "CSI Process") in the PUB's public hearing of the 2021/22 General Rate Application ("GRA") of The Manitoba Public Insurance Corporation ("MPI"), for the review and approval of base rates and premiums for universal compulsory driver and vehicle insurance to take effect on April 1, 2021 ("2021 GRA").

AND WHEREAS the PUB-approved CSI Process requires any intervenor to the 2021 GRA (and their respective legal counsel, representatives, employees, advisors, consultants, and assistants) wishing to access any document claimed by MPI to be confidential (until such time as the claim is withdrawn) or ordered by the PUB to be received from MPI, in confidence, pursuant to Rule 13 of the PUB's Rules of Practice and Procedure (the "Confidential Documents"), to execute and file with the PUB, a PUB-approved undertaking of confidentiality, as a condition of their access.

AND WHEREAS the PUB has approved the form and content of this undertaking (the "Undertaking"). AND WHEREAS the CSI Process does not require PUB staff members to give an Undertaking.

AND WHEREAS through its Order, the PUB approved the application for intervenor status of (name of intervenor) (the "Intervenor") to the 2021 GRA.

AND WHEREAS, I am a (lawyer, representative, employee, advisor, consultant, assistant) for/of/to the Intervenor and may, in course of my duties, handle or review some or all of the Confidential Documents in order to permit the Intervenor to meaningfully participate in the 2021 GRA.

NOW WHEREFORE I DO HEREBY UNDERTAKE AND AGREE TO DO THE FOLLOWING:

1. to use Confidential Information exclusively for and within the scope of the PUB-approved intervention of the Intervenor in the 2021 GRA;
2. not to divulge Confidential Information to any person who is not a panel or staff member of the PUB, or to any other person who has not been authorized by the PUB to receive such information and who is required but has not executed and filed an Undertaking with the PUB;
3. not to reproduce, in any manner, the Confidential Information except where expressly permitted by the PUB to do so;

4. to take prudent, reasonable steps to keep confidential and to protect the Confidential Information from unauthorized disclosure;
5. to return to the PUB, at its request or direction, all Confidential Information, including notes and memoranda based on such information, or to destroy such documents and materials and to file with the PUB, a certificate of destruction at the end of the 2021 GRA which, for the purposes of this paragraph, is deemed to end on the date on which the period for filing a motion to review and vary or a motion for leave to appeal the PUB's final order in respect of the 2021 GRA expires or, if a motion to review and vary or motion for leave to appeal is filed, upon issuance of a final decision by the PUB or the Court of competent jurisdiction from which no further review or appeal can or has been taken or within a reasonable time after the end of my participation in the 2021 GRA;
6. With respect to Confidential Information in electronic media:
 - a. to expunge all documents and materials containing Confidential Information, including notes, charts, memoranda, transcripts and submissions based on such Confidential Information, from all electronic apparatus and data storage media under my direction or control and file with the PUB Secretary a certificate of destruction in the form prescribed by the PUB pertaining to the expunged documents and materials, at the end of the 2021 GRA which, for the purposes of this paragraph, is deemed to end on the date on which the period for filing a motion to review and vary or a motion for leave to appeal the PUB's final order in respect of the 2021 GRA expires or, if a motion to review and vary or motion for leave to appeal is filed, upon issuance of a final decision by the PUB or the Court of competent jurisdiction from which no further review or appeal can or has been taken or within a reasonable time after the end of my participation in the 2021 GRA;
 - b. continue to abide by the terms of this Undertaking in relation to any such documents and materials to the extent that they subsist in any electronic apparatus and data storage media under my direction or control and cannot reasonably be expunged in a manner that ensures that they cannot be retrieved;
7. to observe any terms and conditions imposed by MPI or, where imposed, by the PUB, as they relate to the access, use and protection of the Confidential Information; and
8. to promptly report any violation of this Undertaking to the PUB.

I FURTHER UNDERSTAND AND AGREE THAT:

9. In this Undertaking "Confidential Information" means:
- a. any information contained in the Confidential Document (including the Confidential Document itself);
 - b. any information that has been filed with the PUB by MPI that it claims is confidential; and
 - c. all evidence, transcripts, notes, working papers, calculations, analysis or other materials based on or using the Confidential Document or any information contained therein, that I receive, review or prepare (related materials) during the course of the 2021 GRA or any appeal, review or rehearing of the PUB's decision in the proceeding for the purpose of participating in the 2021 GRA or any appeal, review or rehearing from the PUB's decision in the proceeding;
10. the execution of this Undertaking is a condition of my being granted access to the Confidential Information;
11. this Undertaking must be filed with the PUB and a copy provided to MPI, prior to my receipt or review of any Confidential Information;
12. in the event that I breach this Undertaking, there may be consequences which could include, without limitation, the following:
- a. a denial or reduction of costs to, or a cost award against the Intervenor or me personally; and
 - b. an immediate and absolute revocation of the right of the Intervenor and/or my right to receive and/or retain all or some of the Confidential Information, and
13. the obligations created herein shall not preclude my:
- a. using or disclosing the Confidential Information at a time when confidential Information is generally available to the public, other than as a direct or indirect result of any disclosure by me which is prohibited hereunder; and
 - b. disclosing the Confidential Information to the extent such disclosure is required by law, Court order or competent authority of any governmental body or professional discipline body, provided that, other than in respect of a mandated disclosure to the signatory's governing law society or legal professional liability insurer, the PUB and MPI are provided with notice promptly upon my becoming aware that such notice is required.

I, _____, give this Undertaking freely and voluntarily, knowing that it creates obligations which I am legally required to fulfill.

Signed and witnessed in the _____ of _____ in the _____ of _____, on this _____ day of _____, 20____.

Signature of Person Giving Undertaking

Signature of Witness

Address

Printed Name of Witness

Phone Number

Email Address

CERTIFICATE

I, _____ (recipient) of the _____ (city/town) of _____,
in the _____ (province/state) of _____, certify that:

- 1) I had in my possession and under my direction and control records, reports, document information, or portions thereof, that were granted confidential treatment in the course of the 2021 General Rate Application (“Confidential Information”) by the Board pursuant Rule 13 of the Board’s Rules of Practice and Procedure, and had in my possession and under my direction and control evidence, transcripts, notes, working papers, calculations, analysis or other materials based on or using the Confidential Information that I received, reviewed or prepared (“related materials”).
- 2) I executed an undertaking in accordance with Procedural Order 88/20 to have access to the Confidential Information and related materials (the “Undertaking”).
- 3) I have made no use of the Confidential Information or related materials except as permitted pursuant to the Undertaking.
- 4) I have not disclosed the Confidential Information or related materials in any manner except as permitted by the Undertaking.
- 5) I have expunged all electronic copies of the Confidential Information and related materials from all electronic apparatus and data storage media in my possession or under my direction and control.
- 6) I have delivered to MPI or have destroyed all paper copies of the Confidential Information and related materials in my possession or under my direction and control.

SIGNATURE WITNESSED BY ME
THIS _____
____ DAY OF _____, 20__.

CERTIFIED BY ME THIS _____
____ DAY OF _____,
20__.

Signature of Witness (Notary Public)

Signature of Recipient

Printed Name of Witness

THIS CONFIDENTIALITY AGREEMENT made this _____ day _____, 20____

BETWEEN:

THE MANITOBA PUBLIC INSURANCE CORPORATION,

(called "MPI")

of the first part,

- and -

[Insert Name],

(called the "Confidant")

of the second part.

WHEREAS on **July 6, 2020** in Order 88/20 (the "**Order**"), the Public Utilities Board of Manitoba (the "**Board**") ordered, within the course of considering MPI's 2021 General Rate Application ("**2021 GRA**"), that certain documents be received in confidence, on a provisional basis, subject to the final determination of their confidential status pursuant to Rule 13 of the Board's Rules of Practice and Procedure (the "**Confidential Documents**").

AND WHEREAS information contained in the Confidential Documents pertaining to MPI is the property of MPI, its contractual counterparties and domestic customers and is or may be confidential or commercially sensitive.

AND WHEREAS the Order directs MPI to provide a non-redacted copy of the Confidential Documents to the Confidant, following their execution of a prescribed undertaking and any other document it deems necessary (the "**Agreement**").

NOW THEREFORE IN CONSIDERATION OF receiving access to the Confidential Documents, the sum of one (\$1.00) dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

In this Agreement:

"Authorized Person" means any person permitted by the Order to receive the Confidential Information, who is in compliance with the conditions on the receipt and use of the Confidential Information, as set out in this Order.

"Confidential Information" means any information contained in the Confidential Documents (and includes the Confidential Documents themselves) and any information that has been filed by MPI with the Board in confidence pursuant to the Order.

"Permitted Uses" has the meaning set forth in Article 2 below.

"Person" shall be broadly interpreted to include, without limitation, any corporation, partnership, other entity, or individual.

"Proceeding" means the proceeding before the Board in respect of the 2021 GRA.

"Reverse Engineer" means to discover, synthesize or otherwise recreate the Confidential Information following a detailed examination.

"Unauthorized Person" means any Person other than MPI, the Confidant or an Authorized Person.

ARTICLE 2 PERMITTED USES

The Confidant may use Confidential Information for the following purposes (called **"Permitted Uses"**):

- (a) to give instructions to, carry out critical analysis, form conclusions and/or advise an Authorized Person; an
- (b) to prepare a report suitable for filing on the public record of the Proceeding and testify on the public record of the Proceeding. Without the consent of the Board obtained in advance, the Confidant shall not include in the report or testimony any Confidential Information or any information that would enable an Unauthorized Person to Reverse Engineer Confidential Information. To the extent that the Confidant relies upon Confidential Information to arrive at a conclusion, the Confidant may include in the Report or testimony information at a level of summary and aggregation which will not disclose Confidential Information or enable an Unauthorized Person to reverse-engineer the Confidential Information, subject always to the Confidant providing a redacted Report on the public record and a complete report in confidence to the Board

and/or testifying *in camera* where Confidential Information is discussed.

ARTICLE 3 CONFIDENTIALITY

Except as specifically provided in Article 2 above (Permitted Uses), the Confidant shall:

- (a) keep the Confidential Information in the strictest confidence;
- (b) not disclose Confidential Information to any Unauthorized Person without the prior written consent of MPI;
- (c) in the case of a disclosure to an Unauthorized Person with the prior written consent of MPI, obtain from the Unauthorized Person an undertaking or confidentiality agreement satisfactory in form to the Board and MPI, on terms no less restrictive than those in this Agreement;
- (d) take prudent, reasonable steps to protect Confidential Information in its possession from inadvertent disclosure to an Unauthorized Person; and
- (e) destroy or return the Confidential Information (if so permitted) when required and in the manner required by the Board.

If the Confidant so chooses, they may solicit MPI's comments on particular documents that are in the process of being prepared in the interests of avoiding inadvertent disclosures to an Unauthorized Person.

ARTICLE 4 COMPELLED DISCLOSURE

In the event that the Confidant, or an Unauthorized Person referred to in Article 3(c) above, receives notice indicating that they may or shall be legally compelled to disclose any of the Confidential Information, the Confidant shall provide MPI with prompt notice so that MPI may, at its sole discretion, seek a protective order or other appropriate remedy.

The Confidant, and any such Unauthorized Person referred to in Article 3(c) above, shall cooperate fully with MPI protecting the confidential and proprietary nature of the Confidential Information sought to be compelled to be disclosed, including providing assistance to MPI in the prosecution and defence of any action(s) or proceeding(s) brought or made in respect of such matters.

In the event that such protective order or other remedy is not obtained, or that MPI waives compliance with the provisions of this Agreement, the Confidant or Unauthorized Person referred to in Article 3(c) above shall furnish only that portion of the Confidential

Information in respect of which it shall be legally required to disclose.

ARTICLE 5 FURTHER COVENANTS

The Confidant shall:

- (a) use the Confidential Information only for the Permitted Uses and for no other purpose whatsoever; and
- (b) not use or reverse engineer Confidential Information for personal gain in any fashion, other than for the receipt of compensation for his or her participation in this proceeding.

ARTICLE 6 NO LICENCE

The Confidant agrees that the Confidential Information is the property of MPI, its contractual counterparties and domestic customers, and the Confidant shall not contest or challenge any of their rights in or to any Confidential Information. The Confidant does not receive any right, title or interest of any nature whatsoever in or to any Confidential Information.

ARTICLE 7 CONTINUING OBLIGATION

This Agreement is effective upon execution by both parties, and the obligations of the Confidant under this Agreement shall not terminate but shall continue without limitation of time.

ARTICLE 8 EQUITABLE REMEDIES

In the event of a breach, or threatened breach, of this Agreement by the Confidant, the parties agree that the harm suffered by MPI may not be compensable by monetary damages alone and, accordingly, that MPI shall, in addition to any other available legal or equitable remedies, be entitled to seek an injunction against such breach or threatened breach.

ARTICLE 9 NOTICES

Any notice or other communication required or permitted to be given under this Agreement must be in writing and shall be delivered to:

a) MPI:

Executive Offices
912 - 234 Donald Street
Winnipeg, Manitoba
Attn: General Counsel
and Corporate Secretary

b) Confidant:

[Insert Address]
[Insert Address]
[City] [Province] [Postal Code]
Attn: [Insert Name]

or such other addresses as either party may notify the other of in writing. Notices may be given by personal service or fax transmission. Any notice given by personal service shall be deemed to have been effectually given and received at the date and time of actual delivery. Any notice sent by fax transmission shall be deemed to have been effectually given and received on the next business day following transmission.

ARTICLE 10 INTERPRETATION AND ENFORCEMENT

This Agreement shall be subject to, interpreted, performed and enforced in accordance with the laws of Manitoba and the applicable laws of Canada without regard to Manitoba or federal Canadian law governing conflicts of law, even if one or more of the parties to this Agreement is resident of or domiciled in any other province, state, or country. The parties hereby irrevocably attorn to the exclusive jurisdiction of the Court of Queen's Bench of Manitoba, Winnipeg Centre. The recitals hereof form an integral part of this Agreement. Section headings in this Agreement are for the convenience of the parties only, and shall not affect the interpretation of this Agreement.

ARTICLE 11 SEVERABILITY

If any provision in this Agreement is illegal, invalid or unenforceable at law, it shall be deemed to be severed from this Agreement and the remaining provisions shall continue in full force and effect. The parties agree that they shall endeavor to replace any such severed provision with a new provision which achieves substantially the same practical effect and which is valid and enforceable.

ARTICLE 12 WAIVER

No failure or delay by MPI in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. No waiver of any provision of this Agreement, or a breach thereof, shall be effective unless it is in writing and signed by the party waiving the provision or the breach thereof.

ARTICLE 13 ASSIGNMENT

The Confidant shall not assign this Agreement without the prior written consent of MPI. No assignment of this Agreement shall operate to relieve the Confidant from any obligation of this Agreement.

ARTICLE 14 FURTHER ACTS AND ASSURANCES

Each of the parties shall, from time to time, do all acts and things and execute from time to time all such further documents and assurances as may be necessary to carry out and give effect to the terms and conditions of this Agreement.

ARTICLE 15 FAX EXECUTION

This Agreement may be executed in any number of counterparts, including counterparts signed by fax, each of which shall be deemed an original and all of which together shall constitute one in the same instrument. A photocopied and/or fax copy of this Agreement bearing the signature of each party, in a single document or counterparts thereof as provided herein, shall be deemed an original execution version of this Agreement.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement on the date first above written.

MANITOBA PUBLIC INSURANCE

Per: _____

Name:

Title:

WITNESS [PRINTED NAME]

CONFIDANT

WITNESS [SIGNATURE]

[CONFIDANT SIGNATURE]

THIS CONFIDENTIALITY AGREEMENT made this _____ day _____, 20____

BETWEEN:

[Insert Name],
(called "the **Owner**")

of the first part,

- and -

[Insert Name],
(called the "**Confidant**")

of the second part.

WHEREAS on **July 6, 2020** in Order 88/20 (the "**Order**"), the Public Utilities Board of Manitoba (the "**Board**") ordered, within the course of considering MPI's 2021 General Rate Application ("**2021 GRA**"), that certain documents be received in confidence, on a provisional basis, subject to the final determination of their confidential status pursuant to Rule 13 of the Board's Rules of Practice and Procedure (the "**Confidential Documents**").

AND WHEREAS information contained in the Confidential Documents pertaining to the Owner is the property of the Owner, its contractual counterparties and domestic customers and is or may be confidential or commercially sensitive.

AND WHEREAS the Order directs the Owner to provide a non-redacted copy of the Confidential Documents to the Confidant, following their execution of a prescribed undertaking and any other document it deems necessary (the "**Agreement**").

NOW THEREFORE IN CONSIDERATION OF receiving access to the Confidential Documents, the sum of one (\$1.00) dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

In this Agreement:

"Authorized Person" means any person permitted by the Order to receive the Confidential Information, who is in compliance with the conditions on the receipt and use of the Confidential Information, as set out in this Order.

"Confidential Information" means any information contained in the Confidential Documents (and includes the Confidential Documents themselves) and any information that has been filed by MPI with the Board in confidence pursuant to the Order.

"Permitted Uses" has the meaning set forth in Article 2 below.

"Person" shall be broadly interpreted to include, without limitation, any corporation, partnership, other entity, or individual.

"Proceeding" means the proceeding before the Board in respect of the 2021 GRA.

"Reverse Engineer" means to discover, synthesize or otherwise recreate the Confidential Information following a detailed examination.

"Unauthorized Person" means any Person other than the Owner, the Confidant or an Authorized Person.

ARTICLE 2 PERMITTED USES

The Confidant may use Confidential Information for the following purposes (called **"Permitted Uses"**):

- (c) to give instructions to, carry out critical analysis, form conclusions and/or advise an Authorized Person; an
- (d) to prepare a report suitable for filing on the public record of the Proceeding and testify on the public record of the Proceeding. Without the consent of the Board obtained in advance, the Confidant shall not include in the report or testimony any Confidential Information or any information that would enable an Unauthorized Person to Reverse Engineer Confidential Information. To the extent that the Confidant relies upon Confidential Information to arrive at a conclusion, the Confidant may include in the Report or testimony information at a level of summary and aggregation which will not disclose Confidential Information or enable an Unauthorized Person to reverse-engineer the Confidential Information, subject always to the Confidant providing a redacted Report on the public record and a complete report in confidence to the Board

and/or testifying *in camera* where Confidential Information is discussed.

ARTICLE 3 CONFIDENTIALITY

Except as specifically provided in Article 2 above (Permitted Uses), the Confidant shall:

- (f) keep the Confidential Information in the strictest confidence;
- (g) not disclose Confidential Information to any Unauthorized Person without the prior written consent of the Owner;
- (h) in the case of a disclosure to an Unauthorized Person with the prior written consent of the Owner, obtain from the Unauthorized Person an undertaking or confidentiality agreement satisfactory in form to the Board and the Owner, on terms no less restrictive than those in this Agreement;
- (i) take prudent, reasonable steps to protect Confidential Information in its possession from inadvertent disclosure to an Unauthorized Person; and
- (j) destroy or return the Confidential Information (if so permitted) when required and in the manner required by the Board.

If the Confidant so chooses, they may solicit the Owner's comments on particular documents that are in the process of being prepared in the interests of avoiding inadvertent disclosures to an Unauthorized Person.

ARTICLE 4 COMPELLED DISCLOSURE

In the event that the Confidant, or an Unauthorized Person referred to in Article 3(c) above, receives notice indicating that they may or shall be legally compelled to disclose any of the Confidential Information, the Confidant shall provide the Owner with prompt notice so that the Owner may, at its sole discretion, seek a protective order or other appropriate remedy.

The Confidant, and any such Unauthorized Person referred to in Article 3(c) above, shall cooperate fully with MPI protecting the confidential and proprietary nature of the Confidential Information sought to be compelled to be disclosed, including providing assistance to the Owner in the prosecution and defence of any action(s) or proceeding(s) brought or made in respect of such matters.

In the event that such protective order or other remedy is not obtained, or that the Owner waives compliance with the provisions of this Agreement, the Confidant or Unauthorized Person referred to in Article 3(c) above shall furnish only that portion of the Confidential

Information in respect of which it shall be legally required to disclose.

ARTICLE 5 FURTHER COVENANTS

The Confidant shall:

- (c) use the Confidential Information only for the Permitted Uses and for no other purpose whatsoever; and
- (d) not use or reverse engineer Confidential Information for personal gain in any fashion, other than for the receipt of compensation for his or her participation in this proceeding.

And the Confidant agrees to release, indemnify and hold harmless the Owner and its respective personnel against all actions, claims, suits, demands, claims for costs or expenses or any other proceeding arising out of or in connection with the Confidant's breach of any of the Confidant's obligations hereunder, including, for greater certainty, the use or disclosure by the Confidant of the Confidential Information other than as permitted herein.

ARTICLE 6 NO LICENCE OR WARRANTY

The Confidant agrees that the Confidential Information is the property of MPI, its contractual counterparties and domestic customers, and the Confidant shall not contest or challenge any of their rights in or to any Confidential Information. The Confidant does not receive any right, title or interest of any nature whatsoever in or to any Confidential Information.

In addition, the Confidant acknowledges and agrees that the Confidential Information (including the Confidential Documents) were prepared for the benefit of MPI and were prepared to reflect MPI's instructions. Accordingly, the Owner may not have addressed matters, which may be of interest or relevance to the Confidant. The Owner does not warrant or represent that the Confidential Information (including the Confidential Documents) are sufficient or appropriate for the Confidant's purposes. The Owner is not responsible to the Confidant, or any other party, if the Confidant or any other party relies on the Confidential Information.

ARTICLE 7 CONTINUING OBLIGATION

This Agreement is effective upon execution by both parties, and the obligations of the Confidant under this Agreement shall not terminate but shall continue without limitation of time.

ARTICLE 8 EQUITABLE REMEDIES

In the event of a breach, or threatened breach, of this Agreement by the Confidant, the parties agree that the harm suffered by the Owner may not be compensable by monetary damages alone and, accordingly, that the Owner shall, in addition to any other available legal or equitable remedies, be entitled to seek an injunction against such breach or threatened breach.

ARTICLE 9 NOTICES

Any notice or other communication required or permitted to be given under this Agreement must be in writing and shall be delivered to:

b) Owner:

[Insert Address]
[Insert Address]
[City] [Province] [Postal Code]
Attn: [Insert Name]

b) Confidant:

[Insert Address]
[Insert Address]
[City] [Province] [Postal Code]
Attn: [Insert Name]

or such other addresses as either party may notify the other of in writing. Notices may be given by personal service or fax transmission. Any notice given by personal service shall be deemed to have been effectually given and received at the date and time of actual delivery. Any notice sent by fax transmission shall be deemed to have been effectually given and received on the next business day following transmission.

ARTICLE 10 INTERPRETATION AND ENFORCEMENT

This Agreement shall be subject to, interpreted, performed and enforced in accordance with the laws of Manitoba and the applicable laws of Canada without regard to Manitoba or federal Canadian law governing conflicts of law, even if one or more of the parties to this Agreement is resident of or domiciled in any other province, state, or country. The parties hereby irrevocably attorn to the exclusive jurisdiction of the Court of Queen's Bench of Manitoba, Winnipeg Centre. The recitals hereof form an integral part of this Agreement. Section headings in this Agreement are for the convenience of the parties only, and shall not affect the interpretation of this Agreement.

ARTICLE 11 SEVERABILITY

If any provision in this Agreement is illegal, invalid or unenforceable at law, it shall be deemed to be severed from this Agreement and the remaining provisions shall continue in full force and effect. The parties agree that they shall endeavor to replace any such severed provision with a new provision which achieves substantially the same practical effect and which is valid and enforceable.

ARTICLE 12 WAIVER

No failure or delay by the Owner in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. No waiver of any provision of this Agreement, or a breach thereof, shall be effective unless it is in writing and signed by the party waiving the provision or the breach thereof.

ARTICLE 13 ASSIGNMENT

The Confidant shall not assign this Agreement without the prior written consent of the Owner. No assignment of this Agreement shall operate to relieve the Confidant from any obligation of this Agreement.

ARTICLE 14 FURTHER ACTS AND ASSURANCES

Each of the parties shall, from time to time, do all acts and things and execute from time to time all such further documents and assurances as may be necessary to carry out and give effect to the terms and conditions of this Agreement.

ARTICLE 15 FAX EXECUTION

This Agreement may be executed in any number of counterparts, including counterparts signed by fax, each of which shall be deemed an original and all of which together shall constitute one in the same instrument. A photocopied and/or fax copy of this Agreement bearing the signature of each party, in a single document or counterparts thereof as provided herein, shall be deemed an original execution version of this Agreement.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement on the date first above written.

[Insert Owner's Name]

Per: _____

Name:

Title:

WITNESS [PRINTED NAME]

CONFIDANT

WITNESS [SIGNATURE]

[CONFIDANT SIGNATURE]

SCHEDULE "C"

**DOCUMENTS AND INFORMATION TO BE FILED BY MPI IN SUPPORT OF
FINAL RATE INDICATION**

1. Pro Formas PF-1, PF-2, PF-3, PF-5, PF-6
2. Extension Pro Formas EPF-1, EPF-3
3. Ratemaking Figures RM-1, RM-12, RM-13, RM-14, RM-17, RM-18, RM-19
4. Investments Figure INV-13
5. Narrative of material impacts of interest rate on Pro Forma Financial Statements and Responses to Information Requests
6. Comparison of changes to Pro Forma Financial Statements from the date of the Application to the date of the Final Rate Indication
7. Amendments to any sections of the Application materially affected by the Final Rate Indication

All updated documents to be filed on the basis of the Naïve interest rate forecast.

SCHEDULE "D"**2021/22 MPI GENERAL RATE APPLICATION TIMETABLE**

| ITEM | 2020 DATES | Day of the Week |
|--|--------------------|----------------------------|
| 1. Application filed and served | June 17, 2020 | Wednesday |
| 2. Notice of Public hearing to be published | June 20, 2020 | Saturday |
| 3. PUB Issues Workshop | June 25, 2020 | Thursday |
| 4. Interveners complete Registration | June 25, 2020 | Thursday |
| 5. Pre-hearing Conference | June 30, 2020 | Tuesday |
| 6. Procedural Order Issued | July 03, 2020 | Friday |
| 7. Round One Information Requests Filed | July 8, 2020 | Wednesday |
| 8. Round One Information Responses Filed | August 05, 2020 | Wednesday |
| 9. Parties to file motions on Round One IRs | August 12, 2020 | Wednesday |
| 10. Board to hear motions | August 18, 2020 | Tuesday |
| 11. Round Two Information Requests Filed | August 24, 2020 | Monday |
| 12. Round Two Information Responses | September 15, 2020 | Tuesday |
| 13. Parties to File any Motions | September 18, 2020 | Friday |

| | | |
|--|--------------------|------------------|
| 14. Board to Hear any Motions | September 21, 2020 | Monday |
| 15. Interveners to file pre-filed testimony to all parties | September 21, 2020 | Monday |
| 16. Reminder Notice of Public Hearing | September 26, 2020 | Saturday |
| 17. Information Requests on Intervener Evidence | September 29, 2020 | Tuesday |
| 18. Interveners Information Responses | October 1, 2020 | Thursday |
| 19. MPI Rebuttal Evidence | October 6, 2020 | Tuesday |
| 20. Hearing Issues Meeting of Counsel | October 8, 2020 | Thursday |
| 21. Rate Update Filed | October 9, 2020 | Friday |
| 22. Hearing commences | October 19 to 23 | Monday to Friday |
| | October 26 to 30 | Monday to Friday |
| | November 2 to 6 | Monday to Friday |
| Board Issues Order | December 14, 2020 | Monday |

SCHEDULE "E"

PROCEDURES TO BE FOLLOWED AT THE

MANITOBA PUBLIC INSURANCE CORPORATION 2021 RATE APPLICATION

1. Hearing and Rural Meetings:
 - (a) Winnipeg hearing will be held at the Board's office, 4th Floor, 330 Portage Avenue, Winnipeg, commencing on October 19, 2020 at 9:00 a.m. and continuing thereafter as necessary.
 - (b) Rural Meetings (if necessary) – time, location and place to be identified.
2. Hearing Times Each Day:

9:00 a.m. to 12:00 Noon

1:15 p.m. to 4:00 p.m.

(amendments may be made by the Board at the hearing)
3. Assigned Sittings: Public Presentations – date and time to be determined
4. Opening Statements by Board Counsel, Counsel for MPI and Counsel or representatives of registered Interveners.
5.
 - (a) MPI to file its application and supporting evidence.
 - (b) MPI to introduce witnesses. Board counsel and Interveners to cross-examine the Corporation's witnesses (order to be determined).
6.
 - (a) Leading of testimony by witnesses for Interveners, if any, will be in

alphabetical order by name of Interveners and updated as necessary.

(b) Witnesses to be available for cross-examination by all parties following each presentation.

7. All information requests are to be filed in the prescribed form (attached hereto as **Schedule "F"**) and responded to using the prefixes as assigned by the Board when Interveners are registered (set out in the body of the Order). The party requesting information is to use firstly their prefix followed by the prefix of the party being asked e.g. PUB (MPI), etc. Interrogatories are to be numbered sequentially through 1st and 2nd rounds, e.g. PUB (MPI) 1-3, PUB (MPI) 2-7.
8. All pre-filed evidentiary material to be filed at the commencement of the hearing by Board Counsel using assigned prefixes.
9. All witnesses to highlight their evidence.
10. All witnesses to be sworn or affirmed.
11. Daily transcripts will be available at no charge on the PUB web site (www.pub.gov.mb.ca).
12. It is the Board's request that all motions be dealt with pursuant to the Board's Timetable.
13. The Board's Rules of Practice and Procedure (available on the Board's website) dealing with the awarding of costs will apply to all matters before the Board.
14. The Board indicates its willingness to be available for any problems that may arise during the exchange of information at any time, such time to be arranged through Board Counsel.
15. Seven (7) paper copies of material are to be submitted to the Board's offices and

three (3) copies are to be submitted to Board Counsel at the following address:

Attention:

Kathleen McCandless and Robert Watchman, Pitblado LLP, 2500 – 360 Main Street, Winnipeg, MB R3C 4H6.

16. Electronic copies of all material including the evidence of parties, are required to be submitted to the Board's e-mail address: publicutilities@gov.mb.ca. Where schedules or other attachments accompany an electronic file, that filing must be discrete and include only the item and schedules to which each refers. The electronic files shall be named in accordance with their parties prefix as per #7. All electronic filings shall be in Adobe Acrobat format, with protection securities allowing printing, content copying, content copying for accessibility and page extraction.

SCHEDULE "F"

INFORMATION REQUEST TEMPLATE

Manitoba Public Insurance 2020/21 General Rate Application

Optional Applicant Logo

XXX/XXX X-X

| | | | |
|--------------------------------|--|------------------|--|
| Part and Chapter: | | Page No.: | |
| PUB Approved Issue No.: | | | |
| Topic: | | | |
| Sub Topic: | | | |

PREAMBLE TO IR (IF ANY):

QUESTION:

RATIONALE FOR QUESTION:

RESPONSE:

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION: