

Order No. 77/23

**MANITOBA PUBLIC INSURANCE CORPORATION (MPI OR THE CORPORATION):
PROCEDURAL ORDER FOR THE 2024/25 GENERAL RATE APPLICATION**

July 5, 2023

BEFORE: Irene A. Hamilton, K.C., Panel Chair
Robert Gabor, K.C., Chair
Susan Nemec, FCPA, FCA, Member
George Bass, K.C., ICD. D, Member
Susan Boulter, Member

TABLE OF CONTENTS

SUMMARY	4
1.0 INTRODUCTION.....	4
2.0 APPLICATIONS FOR INTERVENER STATUS.....	10
2.1 CAC.....	10
2.2 CMMG.....	11
2.3 <i>Taxi Coalition (TC)</i>	13
2.4 <i>MPI Position</i>	14
3.0 PRELIMINARY ISSUES LIST	14
4.0 PROCEDURAL MATTERS	15
4.1 <i>Final Rate Indication</i>	15
4.2 <i>Timetable</i>	16
5.0 BOARD COMMENTS AND DECISIONS.....	16
5.1 <i>Intervenors</i>	16
5.2 <i>Final Issues List</i>	17
5.3 <i>Final Rate Indication</i>	17
5.4 <i>Timetable</i>	17
6.0 IT IS THEREFORE ORDERED THAT:.....	18

SCHEDULE "A"	22
SCHEDULE "B"	23
SCHEDULE "C"	37
SCHEDULE "D"	38
SCHEDULE "E"	40
SCHEDULE "F"	43

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 the Corporation), for the review and approval of base rates and premiums for universal compulsory driver and vehicle (Basic) insurance to take effect April 1, 2024.

The Board also 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 15, 2023. In the Application, to take effect on April 1, 2024, MPI proposes a 0% overall change to premium rates, but with changes proposed for major classes and uses. There are no proposed changes to miscellaneous permits and certificates, vehicle and driver premiums, and Basic service and transaction fees. On October 4, 2023, MPI will file a final rate indication (Final Rate Indication).

MPI is also applying for changes to vehicle discounts available through the Driver Safety Rating (DSR) system, with driver premium adjusted to take into consideration the impact of these changes, including:

- making use of DSR level +18 in the 2024/25 rating year; and
- moving all DSR discounts one-fourth of the way to their actuarially-indicated target, rounded down to the nearest whole number.

MPI is also proposing a revised Capital Management Plan (CMP) to establish: the means and pathway to achieve the 100% Minimum Capital Test (MCT) capital level for the Basic Rate Stabilization Reserve (RSR); and, specific criteria and processes under which MPI will apply to the Board for approval of capital rebates.

The Board held a Pre-Hearing Conference (PHC) at its offices in Winnipeg on Wednesday, June 28, 2023, for the purposes of:

1. Considering applications from prospective interveners (Intervenors) and matters related thereto;
2. 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 64/23;
3. Considering the documentation to be filed by MPI on October 4, 2023, in support of the Final Rate Indication; and
4. Establishing a timetable for the hearing.

This Order arises from the PHC.

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.

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

1. Consumers' Association of Canada, Manitoba Branch (CAC), represented at the PHC by counsel, Mr. Chris Klassen;

2. Coalition of Manitoba Motorcycle Groups (CMMG), represented at the PHC by counsel, Ms. Charlotte Meek; and
3. Duffy's Taxi (1996) Ltd. and Unicity Taxi Ltd. (Taxi Coalition or TC), represented at the PHC by counsel, Ms. Karen Wittman and Ms. Sharna Nelko.

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

Prior to the filing of the GRA, on May 23, 2023, the Board issued Interim Procedural Order 64/23, which established a Preliminary Issues List for the GRA, and approved the process for the distribution of Commercially Sensitive Information (CSI). The Board held in Order 64/23 that a Final Issues List would be approved by the Board in this Procedural Order. In addition, the Minimum Filing Requirements (MFRs) for the 2024 GRA were provided to MPI following the issuance of Order 64/23.

The Preliminary Issues List approved by the Board in Order 64/23 was as follows:

1. Projected claims, expenses, and vehicle counts, based on accepted actuarial practice in Canada;
2. Large loss loading based on Order 4/23, Directive 2;
3. Projected new money yield based on existing methodology, as well as split new money yield as based on Order 4/23, Directive 7;
4. Compliance with Orders 4/23 and 35/23, and any outstanding directives from past orders;
5. Financial forecast:

- a. Financial forecast accuracy (2022/23 forecast versus actual results);
 - b. Changes in projected financial results;
 - c. Impact of IFRS 9 and 17;
 - d. Investment income forecast;
6. Changes, if any, to integrated cost allocation methodology since the 2023 GRA;
- a. Impact of IFRS 17 on methodology;
7. Annual Business Plan;
8. Capital Management Plan;
- a. Transfers of Extension excess capital;
9. 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);
10. Cost of operations and cost containment measures;
11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design;
12. Vehicles for Hire (VFH);
13. Driver Safety Rating (DSR), including but not limited to MPI's progress towards a plan for changes to the DSR model, moving vehicle discounts, and driver premiums by one-fourth of the way to the actuarially indicated percentage, and implementation of Order 4/23, Directives 15 and 16;
14. Operational benchmarking;

15. Information Technology (IT) benchmarking and value management
16. Run-off of prior year claims during 2022/23;
17. Risk Assessment and Risk Management; and
18. 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 2024 GRA:

19. Interest Rate Forecast;
20. Project Nova, including but not limited to:
 - a. Re-baseline;
 - b. Scope;
 - c. Budget and financing options, including debt financing;
 - d. Staffing;
 - e. Meeting required by Order 4/23, Directive 19 (as varied by Order 35/23);
 - f. Lessons learned from implementation of Project Nova in the Special Risk Extension line of business;
21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova; and
22. Asset Liability Management Study (in accordance with Directives 11.19 and 11.20 of Order 134/21), including implementation.

The following issues are deferred from the 2024 GRA to future applications, or will be the subject of a technical conference or another process:

23. Requested vehicle rate and any changes to other fees and discounts;

24. Road safety; and

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

Prior to the PHC, on June 15, 2023, 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 aims to protect and reconcile the interests of all MPI customers, with a particular emphasis on members of the Private Passenger class. It intends to test whether the proposed changes to rates and premium discounts are just and reasonable in light of the financial circumstances of MPI.

The specific issues that CAC intends to canvass in this GRA include:

- The proposed rate indication, including the accuracy of MPI's claims and expense forecasts and the reliability of the underlying methodologies, and whether the rates proposed by MPI are just and reasonable;
- MPI's proposed new CMP, including whether consumers' interests are appropriately balanced against the Corporation's financial health;
- Project Nova, including its projected scope, costs and benefits, the merits of the Corporation's plan for implementation, and the prudence of the project's management and MPI's related relationships with third party consultants;
- The prudence of MPI's investment portfolio management including the implementation of the Asset Liability Management (ALM) study;
- MPI's projected operating expenses, including budgeted Full-Time Equivalents (FTEs) and corporate budgeting processes; and
- Proposed amendments to and future plans for improving the DSR system, and correcting the actuarial soundness of DSR discounts and surcharges.

CAC advises that it is in close contact with other Interveners, and intends to work cooperatively with the Board, MPI, and Interveners to ensure hearing effectiveness and efficiency.

CAC also advises the Board that its intervention will be supported by a Public Utility Working Group. This group, previously referred to as the CAC Manitoba Advisory Panel, provided input to CAC in the 2023 GRA. At this time, the exact nature of the working group's participation is still being determined. It may participate on a watching brief alongside CAC's intervention, or, CAC may request at a later date that the working group be recognized as a joint participant in its intervention. CAC acknowledges that an application for intervention by the working group at a later date would require a motion, as the deadline for such applications has passed.

CAC 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 reserves the right to provide expert evidence following receipt of responses to first round Information Requests (IRs).

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

2.2 CMMG

CMMG is a non-profit organization promoting the safety of Manitoba's motorcyclists by encouraging education, promoting legislative reform, and disseminating information to aid in the continued safe enjoyment of motorcycles. CMMG has been granted Intervener status in the GRA since 1993, with a focus on advocacy for just and reasonable rates for the Motorcycle class. The issues that CMMG intends to test in this GRA include:

- Projected claims expenses and vehicle counts, based on accepted actuarial practice in Canada;
- The alternative methodology for serious loss loading;

- MPI's compliance with Board Orders 4/23 and 35/23, and any outstanding directives from past orders;
- MPI's Financial forecast;
- The proposed CMP;
- Performance of MPI's investment portfolio;
- Claims forecasting, with a specific focus on the new methodology arising from Board Order 64/23 and impacts on the Motorcycle class;
- DSR, including the progress being made by MPI to adjust towards actuarially sound DSR rates;
- MPI's operational benchmarking;
- MPI's current IT strategic plan and expenses, including Project Nova; and
- The ALM study, in particular, the decisions made by MPI in relation to the chosen asset mixes for various investment portfolios and progress towards implementation.

CMMG intends to appear throughout the hearing, and to participate in the testing of evidence and cross-examination. CMMG has and will continue to collaborate with other Interveners in an effort to share resources, thereby reducing costs.

CMMG does not anticipate calling any witnesses, but reserves the right to do so should it become necessary. CMMG intends to seek a costs award.

2.3 *Taxi Coalition (TC)*

Duffy's Taxi (1996) Ltd. and Unicity Taxi Ltd. (the Taxi Coalition, or TC) are independently operated dispatch companies providing service in the City of Winnipeg and surrounding areas, which together represent approximately 80% of the Taxicab Vehicles-for-Hire (Taxi VFH), and 22% of the Accessible Vehicle VFH in Manitoba.

TC seeks to intervene in this proceeding in order to examine the following issues:

- The reasonableness of a requested increase in insurance premiums from Manitoba taxis and the increase in Public Major class rates generally, and assess taxi rate increases against those proposed for the Passenger VFH insurance use;
- MPI's proposed VFH Framework;
- MPI's compliance with Board directives from Orders 4/23 and 35/23;
- Ratemaking approaches for VFH;
- The implications of proposed changes to the DSR system on Manitoba taxis;
- The reasonableness of the proposed CMP;
- The reasonableness of MPI's proposed changes to the Fleet Program; and
- MPI's progress towards implementation of Generalized Linear Models.

TC intends to fully participate in the oral hearing, including cross-examination of MPI witnesses and opening and closing submissions. It intends to collaborate with other Interveners to avoid any duplication of effort.

TC may also adduce evidence, and if so, will make that determination following the receipt of MPI's responses to IRs. The Taxi Coalition intends to seek an award of costs.

2.4 MPI Position

MPI did not object to the applications for intervention of CAC, CMMG, or TC.

3.0 PRELIMINARY ISSUES LIST

MPI and the prospective Interveners propose the following changes to the issues list:

1. To add two sub-issues to Issue 4, Compliance with Board Orders, in order to ensure they are given specific consideration:
 - a. Compliance with Order 4/23, Directive 12.6, which required MPI to file in this GRA an analysis of, and proposal for, modifications to the Fleet Program to better reflect cost causation; and
 - b. Compliance with Order 4/23, Directive 12.25, which required MPI to: confer with stakeholders in 2023 to discuss and determine whether a road safety technical conference should be held in 2024 and what, if any, additional guidelines and parameters the moderator of the technical conference should impose; and report to the Board about the consultations that have taken place with respect to a future technical conference and copy the stakeholders on their correspondence.
2. To add IFRS 14 to Issue 5(c), Financial Forecast, Impact of IFRS 9 and 17. This addition is a result of MPI's position in the Application that it is not eligible to apply IFRS 14, which is related to regulatory deferral accounting.

4.0 PROCEDURAL MATTERS

4.1 *Final Rate Indication*

As set out above, in the Application, MPI will file a Final Rate Indication prior to the commencement of the public hearings.

MPI proposes that it file the following materials in support of the Final Rate Indication:

1. Pro Formas PF-1, PF-2, PF-3, PF-5 and PF-6;
2. Extension Pro Formas EPF-1, EPF-3;
3. Rate Indication Figures RMO-1, RI-09, RI-10, and RI-11;
4. Dislocation Reports Figures DR-1, DR-4, DR-5, and DR-6;
5. Investments Figures INV-7, INV-8, INV-13, INV-14, and INV-22;
6. Narratives of the material impacts of updated interest rates in Pro-Forma statements and responses to Information Requests;
7. Comparison of changes to Pro-Forma Financial Statements from the date of the Application to the date of the Final Rate Indication; and
8. Amendments to any sections of the Application materially affected by the Final Rate Indication.

4.2 *Timetable*

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

MPI and the Interveners were in general agreement with the hearing schedule. In the proposed timetable, the public hearings are to commence on October 10, 2023, and continue to October 27, 2023.

MPI also indicates that it will permit an extension for filing of Round 1 IRs on CSI to July 11, 2023, and leaves it to the Board to determine whether the extension should be reflected in the timetable.

5.0 **BOARD COMMENTS AND DECISIONS**

5.1 *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 is satisfied that each of these parties represents a substantial proportion of ratepayers directly affected by this proceeding, and that their contributions will contribute to the Board's decision-making.

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 Interim Intervener Cost Policy (Policy), attached hereto at **Schedule "B"** 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 14, 2023. 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.

The Board notes that consultants will be providing services to multiple interveners in this GRA. Accordingly, Interveners using the same consultants must try to avoid duplication in billing for their services, and must provide the Board with detailed billing information from each consultant.

5.2 Final Issues List

The Board finds that the proposed additions to the issues list from that approved in Order 64/23 are reasonable and accordingly approves the addition of:

1. Compliance with Order 4/23, Directive 12.6, as a sub-issue to Issue 4;
2. Compliance with Order 4/23, Directive 12.25, as a sub-issue to Issue 4; and
3. IFRS 14 to Issue 5(c).

5.3 Final Rate Indication

The documents proposed by MPI in the Application 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"**.

5.4 Timetable

The timetable approved by the Board is attached hereto as **Schedule "D"**. The Board has added the extended deadline for Round 1 CSI IRs to the timetable.

The Board has October 10 - 2023 to October 27, 2023, as hearing dates. 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 efficiently as possible. Therefore, it is

the Board's expectation that some of these hearing dates may not be used, 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 IR format to be used by all parties to the GRA. As provided for within the format, the party submitting an IR 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.

6.0 IT IS THEREFORE ORDERED THAT:

1. Interveners to the hearing shall be:
 - (a) Consumers' Association of Canada, Manitoba Branch (CAC);
 - (b) Coalition of Manitoba Motorcycles Groups (CMMG); and
 - (c) Duffy's Taxi Ltd. and Unicity Taxi Ltd. (Taxi Coalition)

2. The Final Issues List for the 2024 GRA shall be as follows:

The following issues are considered within the scope of the 2024 GRA in the normal course:

1. Projected claims, expenses, and vehicle counts, based on accepted actuarial practice in Canada;
2. Large loss loading based on Order 4/23, Directive 2;
3. Projected new money yield based on existing methodology, as well as split new money yield as based on Order 4/23, Directive 7;

4. Compliance with Orders 4/23 and 35/23, and any outstanding directives from past orders;
 - a. Compliance with Order 4/23, Directive 12.6;
 - b. Compliance with Order 4/23, Directive 12.25;

5. Financial forecast:
 - a. Financial forecast accuracy (2022/23 forecast versus actual results);
 - b. Changes in projected financial results;
 - c. Impact of IFRS 9, 14, and 17;
 - d. Investment income forecast;

6. Changes, if any, to integrated cost allocation methodology since the 2023 GRA;
 - a. Impact of IFRS 17 on methodology;

7. Annual Business Plan;

8. Capital Management Plan;
 - a. Transfers of Extension excess capital;

9. 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);

10. Cost of operations and cost containment measures;

11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design;

12. Vehicles for Hire (VFH);

13. Driver Safety Rating (DSR), including but not limited to MPI's progress towards a plan for changes to the DSR model, moving vehicle discounts, and driver premiums by one-fourth of the way to the actuarially indicated percentage, and implementation of Order 4/23, Directives 15 and 16;
14. Operational benchmarking;
15. Information Technology (IT) benchmarking and value management
16. Run-off of prior year claims during 2022/23;
17. Risk Assessment and Risk Management; and
18. 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 2024 GRA:

19. Interest Rate Forecast;
20. Project Nova, including but not limited to:
 - a. Re-baseline;
 - b. Scope;
 - c. Budget and financing options, including debt financing;
 - d. Staffing;
 - e. Meeting required by Order 4/23, Directive 19 (as varied by Order 35/23);
 - f. Lessons learned from implementation of Project Nova in the Special Risk Extension line of business;

21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova; and

22. Asset Liability Management Study (in accordance with Directives 11.19 and 11.20 of Order 134/21), including implementation.

The following issues are deferred from the 2024 GRA to future applications, or will be the subject of a technical conference or another process:

23. Requested vehicle rate and any changes to other fees and discounts;

24. Road safety; and

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

3. MPI shall file the documents as set out in **Schedule "C"**, as attached, on or before October 4, 2023, in respect of the Final Rate Indication.

4. The Timetable attached as **Schedule "D"** shall apply with respect to the hearing of the GRA.

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, K.C."

Panel Chair

"Darren Christle, PhD, CCLP, P.Log, MCIT"

Secretary

Certified a true copy of Order No. 77/23
issued by The Public Utilities Board



Secretary

SCHEDULE "A"**PUBLIC UTILITIES BOARD OF MANITOBA****RATE STRUCTURE****(Effective as of January 1, 2023)****LEGAL COUNSEL:**

20 or more years of relevant experience	Up to \$330/hr
15-19 years	Up to \$280/hr
10-14 years	Up to \$219/hr
5-9 years	Up to \$165/hr
Base rate (new lawyer)	Up to \$115/hr

ACCOUNTANTS:

20 or more years of relevant experience	Up to \$280/hr
15-19 years	Up to \$235/hr
10-14 years	Up to \$198/hr
5-9 years	Up to \$160/hr
Base rate (new accountant)	Up to \$115/hr

ENGINEERING SERVICES:

20 or more years of relevant experience	Up to \$230/hr
15-19 years	Up to \$204/hr
10-14 years	Up to \$174/hr
5-9 years	Up to \$148/hr
Base rate (new engineer)	Up to \$115/hr

SCHEDULE "B"
INTERVENER COSTS POLICY
FOR GENERAL RATE APPLICATIONS

1.0	Definition.....	24
2.0	Cost Award Availability.....	26
3.0	Intervener Eligibility for a Cost Award and Board Determination of the Amount of a Cost Award.....	26
4.0	Advance of Funds Requests.....	28
5.0	Professional Fees.....	30
6.0	Disbursements.....	31
7.0	Tax Costs.....	32
8.0	Other Costs.....	32
9.0	Procedure for Applying for an Intervener Cost Award.....	32

Purpose of the Intervener Costs Practice Policy

The Manitoba Public Utilities Board (“Board”) provides Intervener costs funding to eligible participants in proceedings pursuant to section 56 of *The Public Utilities Board Act* (the “Act”).

The purpose of this Policy is to set out the Board’s procedure for considering requests for Intervener costs and to provide guidance to Interveners on how to apply for funding of costs for participation in Board proceedings.

This Policy applies to the proceeding for the review and hearing of all General Rate Applications, including in the event of any inconsistency with the Board’s Rules of Practice and Procedure.

1.0 Definitions

In this Policy:

- a) "ACT" means *The Public Utilities Board Act*, R.S.M. 1987 Chapter P 280 as amended from time to time;
- b) “ADVANCE OF FUNDS” means an interlocutory award of costs for monies expended during the review of an application and hearing process, subject to review and variation in a final costs award after the conclusion of the proceeding.
- c) "APPLICANT" means a party who has filed an application with the Board under the Act or its Regulations;
- d) "BOARD" means The Public Utilities Board and where the context requires, includes a panel of the Board;
- e) “HEARING” means a proceeding before the Board wherein a party or parties provide submissions to the Board which submissions may, in the Board’s discretion, be preceded by the provision of information and/or evidence to the Board, and includes an Electronic

Hearing, an Oral Hearing and a Written Hearing;

f) "INFORMATION REQUEST" means any request made in writing by a party for information or particulars directed to a party in a proceeding;

g) "INTERVENER" means a party other than the applicant who has formally filed for registration in respect of a proceeding and who intends to participate in the production and testing of evidence and whose registration has been approved by the Board pursuant to Rule 27 of the Board's Rules of Practice and Procedure;

h) "MOTION" means a request for a ruling or order in a proceeding or a pending proceeding;

i) "ORAL HEARING" means a hearing at which the parties or their representatives attend before the Board in person;

j) "PARTY" means either an applicant, an Intervener and for the purpose of this Policy, any other person whom the Board determines to be a party to a proceeding;

k) "PRE-HEARING CONFERENCE" means a meeting, which may be held before a Hearing, to set a timetable for the Proceeding, to finalize what matters may be discussed and to identify Interveners;"

l) "PROCEEDING" means a process to decide a matter brought before the Board, including a matter commenced by application;

m) "SECRETARY" means the Secretary or Acting Secretary of the Board;

m) "WRITTEN HEARING" mean a Hearing in which the proceeding before the Board is conducted entirely in writing.

2.0 Cost Award Availability

- 2.1** The Board may award costs for participation in a proceeding under section 56 of the Act.
- 2.2** Advance of Funds may be available pursuant to Section 4.0 and further to the Board's authority under subsection 47(2) of the Act.
- 2.3** Costs awarded shall be at the sole discretion of the Board.
- 2.4** The Board may award only a portion of the costs being sought by an Intervener.

3.0 Intervener Eligibility for a Cost Award and Board Determination of the Amount of a Cost Award

- 3.1** In any proceeding the Board may award costs to be paid to any Intervener who has:
 - (a) made a significant contribution that is relevant to the proceeding and contributed to a better understanding, by all parties, of the issues before the Board;
 - (b) participated in the hearing in a responsible manner and cooperated with other Interveners who have common objectives in the outcome of the proceedings in order to avoid a duplication of intervention;
 - (c) represented interests beyond their sole business interest; and
 - (d) a substantial interest in the outcome of the proceeding and represents the interests of a substantial number of ratepayers.
- 3.2** In determining whether the Intervener should receive the amount of costs sought in a costs application, the Board may consider whether the

Intervener did one or more of the following:

- (a) made reasonable efforts to ensure that the intervener's evidence was not unduly repetitive of evidence presented by another intervener;
- (b) made reasonable efforts to cooperate with other interveners to reduce the duplication of evidence and questions or to combine the intervener's submission with that of similarly interested interveners; and
- (c) needed legal or technical assistance to take part in the proceeding;

3.3 The Board may award an amount of costs that is less than the amount sought in a costs application, including an award of no costs, where the Board determines that the Intervener did one or more of the following,:

- (a) asked questions on cross-examination that were unduly repetitive of questions previously asked by another intervener;
- (b) presented in oral evidence significant new evidence, not previously provided in the proceeding, that was available to the intervener at the time that intervener pre-filed its written evidence;
- (c) failed to comply with a direction of the Board, including a direction on the filing of the evidence;
- (d) submitted evidence and argument on issues that were not relevant to the proceeding;
- (e) engaged in conduct that unnecessarily lengthened the duration of the proceeding or resulted in unnecessary costs;
- (f) incurred costs that did not assist in the Board's consideration and

adjudication of the issues in the proceeding and/or did not contribute to an advancement of the Board's understanding of the issues;

- (g) the Intervener failed to provide notification of a material difference in the amount of the Intervener's cost estimate or the scope of the Intervener's participation at the time the material difference should reasonably have been anticipated; or
- (h) such other factor(s) as the Board considers relevant.

4.0 Advance of Funds Requests

4.1 Advance of Funds may be available in a proceeding before the Board. Interveners must make an application for an Advance of Funds Request to the Board. The Board will consider eligibility and amount for an Advance of Funds by applying Section 3.0.

4.2 An Intervener seeking an Advance of Funds must:

- (a) be an approved Intervener in the proceeding;
- (b) have submitted and received comment from Board staff on the Intervener Cost Estimate;
- (c) complete the applicable portions of the Intervener Costs Award Form, available as a fillable Excel spreadsheet on the Board's website; and
- (d) provide invoices detailing the actual expenditures incurred by the Intervener to the date of the application for an Advance of Funds.

4.3 Board staff will review Advance of Funds Requests for completeness and compliance with the Board's Rules of Practice and Procedure and this Policy. The application must be filed using the prescribed form. Any

applications that are incomplete or not in compliance will be returned. If invoices submitted with the Intervener Costs Award Form are not consistent with the information provided in the form, the application will be returned.

- 4.4** In granting an Advance of Funds request, the Board will provide for a hold back amount, such that a percentage of the costs estimate and/or a portion of the expenditures incurred by the Intervener to the date of the application will be payable as an Advance of Funds. The portion payable is in the full discretion of the Board in consideration of each individual application for an Advance of Funds. Any portion specified by the Board is a percentage of the total amount expended to the date of the application, including fees, disbursements and taxes.
- 4.5** Any Intervener granted an Advance of Funds must track the amount granted and submit the amount granted, including any cumulative amount, in completing the Intervener Costs Award Form, available as a fillable Excel spreadsheet on the Board's website, when applying for a final costs award.
- 4.6** An award of an Advance of Funds will be deducted from the total costs granted in any final costs award.
- 4.7** If the Board awards an Advance of Funds to an eligible Intervener under this section, the Board may issue an Order directing the Applicant to pay the Advance of Funds to the participating party granted Intervener status in the proceeding, unless otherwise supported by documentation.
- 4.8** On consideration of the factors in Section 3.0, the Board may vary or deny costs on the claim for a final costs award filed by the eligible Intervener at the close of the hearing. Where the Board grants a final costs award that varies or denies an amount paid to the Intervener as an Advance of Funds, the Board may set the terms for repayment of the Advance of Funds.

5.0 Professional Fees

- 5.1** Cost awards may include the fees of consultants, expert witnesses and counsel associated with the intervention but shall not include indirect expenses relating to an Intervener's own time, such as wages lost by attendance at the hearing.
- 5.2** The Board expects Interveners to use professional services in a cost-effective manner and to make efforts to avoid duplication of services among legal counsel, consultants, specialists, and expert witnesses. The Board may adjust cost awards where any duplication appears to have occurred.
- 5.3** The Board will award professional fees in accordance with the Board's tariff rates, as set out in Appendix A, unless otherwise provided by the Board, and as updated or revised from time to time. The tariff rate that was in effect at the time that the application in a proceeding was filed shall apply throughout the duration of the proceeding.
- 5.4** The Board's tariff rates are exclusive of applicable taxes.
- 5.5** Legal counsel fees may be awarded in accordance with the fees listed in Appendix A, unless otherwise provided by the Board. The tariff rate that was in effect at the time the application in a proceeding was filed shall apply throughout the duration of the proceeding. Interveners are expected to use legal services in a cost-effective manner, giving regard to the years of experience required to perform tasks.
- 5.6** Consultants are expected to provide services related to their technical expertise and may be paid in accordance with the fees listed in Appendix A, unless otherwise provided by the Board, and as updated or revised from time to time. The tariff rate that was in effect at the time that the application in a proceeding was filed shall apply throughout the duration of the

proceeding.

5.7 Expert witnesses are expected to provide services related to their specialized technical expertise, provide fair, objective and non-partisan opinion evidence, assist in the Board's consideration and adjudication of the issues in the proceeding, and contribute to an advancement of the Board's understanding of the issues. Expert witnesses may be paid in accordance with the fees listed in Appendix A, unless otherwise provided by the Board, and as updated or revised from time to time. The tariff rate that was in effect at the time that the application in a proceeding was filed shall apply throughout the duration of the proceeding.

5.8 The Board may award fees for an expert witness that exceed the tariff rates if the Board determines that the expert witness services are not available at the maximum fee because of the specialized technical expertise required to competently address the issues in a proceeding.

6.0 Disbursements

6.1 Costs awarded may include disbursements directly related to the Intervener's participation in the proceeding.

6.2 Payment of disbursements may be up to the amounts allowed under the Manitoba Government employee rates, approved from time to time, for travel, meals and accommodation. Consideration will be given to providing for different amounts if they can be justified.

7.0 Tax Costs

7.1 GST and PST costs, which are applicable to specific costs and or fees sought to be funded through a cost award and which cannot be recovered through an Input Tax Credit, may be allowed. Interveners seeking an award for tax costs must confirm in their application for an award that the applied-for taxes are applicable to the costs and/or fees in question and cannot be recovered by the Intervener through an Input Tax Credit.

8.0 Other Costs

8.1 The Board may award any other costs that the Board deems as reasonable and justified for assistance in the Board's consideration and adjudication of the issues in the proceeding and/or to contribute to an advancement of the Board's understanding of the issues.

9.0 Procedure for Applying for an Intervener Cost Award

9.1 Intervener Application

9.1.1 An Intervener applying for costs shall so inform the Board when filing the form requesting to intervene posted on the Board's website for Intervener Applications in the GRA proceeding.

9.1.2 The Intervener Application shall identify any expert witness or consultant the Intervener seeks to retain to assist in the Intervener's participation or provide evidence in the proceeding.

9.1.3 Intervener Applications shall be submitted with copies of curriculum vitae for any experts and/or consultants that the Intervener intends on retaining to assist the Intervener or provide evidence in the proceeding.

9.2 Intervener Cost Estimates

- 9.2.1 Following the Board's approval of an Intervener Application, the Intervener shall file a detailed cost estimate within the time prescribed by the Board and using the Intervener Costs Award Form available as a fillable Excel spreadsheet on the Board's website.
- 9.2.2 Intervener cost estimates shall include a detailed estimate of the costs and means required for legal, expert, consultant, analyst and other fees, depending on the issues that are the subject of the intervention.
- 9.2.3 Intervener cost estimates shall provide an estimate for the time to be expended by each counsel and all experts and or/consultants for each stage of the hearing, as prescribed in the Intervener Costs Award Form available as a fillable Excel spreadsheet on the Board's website.
- 9.2.4 Interveners shall not include an amount for contingency in the cost estimate submitted to the Board.
- 9.2.5 Cost estimates will be reviewed by Board staff on receipt for completeness and compliance with the Board's Rules and this Policy. The cost estimate must be filed using the prescribed form. Cost estimates that are incomplete or not in compliance will be returned.
- 9.2.6 Board staff will conduct a review of Intervener cost estimates and may provide comments as to whether, in the view of Board staff, all or a portion of the Intervener's cost estimate may be at risk of not being funded. In examining a cost estimate, Board staff will consider whether the estimate is necessary and reasonable taking into

account the importance and implications of the file, the amount of documentation involved, the nature of the Intervener's involvement, the degree of complexity of the issues to be addressed by the Intervener, the experience and expertise of the Intervener, and the total cost estimate for the Intervener's costs in the proceeding.

9.2.7 The filing of Intervener cost estimates and Board staff's review of Intervener cost estimates does not guarantee or disqualify an Intervener from eligibility for a cost award. Any comments from Board staff on Intervener cost estimates are not binding on the Intervener or the Board. All cost awards, whether an Advance of Funds or a final costs award, are in the sole discretion of the Board and all applications for cost awards will be considered by the Board in accordance with the criteria in Section 3.0.

9.2.8 The Board will disclose to the regulated entity, or other party who will be asked to pay, the cost estimate amount submitted.

9.2.9 Interveners shall notify the Board of material differences or deviations in the amount of a cost estimate and/or or the scope of the Intervener's participation in the proceeding, with an explanation as to the reason for the difference or deviation.

9.2.10 The amount of any final costs award granted by the Board may be less than the amount included in an Intervener's cost estimate if warranted on consideration of the criteria set out in Section 3.0.

9.3 Interveners seeking an award of costs should attend any Pre-Hearing Conference to advise the Board as to discussions with other Interveners and how they will cooperate with other Interveners to avoid duplication of intervention as required under Section 3.2.

9.4 Application for a Final Costs Award

- 9.4.1 The Board may hear submissions regarding a final costs award to Interveners during final argument, or may direct such submissions to be made in writing following final argument.
- 9.4.2 Any Intervener applying for a final costs award shall complete the Intervener Costs Award Form, available as a fillable Excel spreadsheet on the Board's website, within 30 days of the last day of the hearing, and serve a copy on the Applicant. An application for a final costs award shall include supporting documentation, including detailed invoices.
- 9.4.3 If an Intervener anticipates filing a late Application for a final costs award, the Intervener must notify the Board in writing before the expiry of the 30-day deadline and explain the reasons for the delay. If an Application for costs is incomplete or filed after the deadline, without a valid reason, the total amount reimbursed may be reduced.
- 9.4.4 An application for a final costs award must include an explanation for any increases in costs about the amount contained in the Intervener's cost estimate. The Board may reduce a final costs award where an Intervener failed to provide notification of a material difference or deviation in the amount of the cost estimate or the scope of the Intervener's participation, as provided in Section 3.3(g).
- 9.4.5 Applications for final costs awards will be reviewed by Board staff on receipt for completeness and compliance with the Board's Rules and this Policy. Applications that are incomplete or not in compliance will be returned.
- 9.4.6 The Applicant may forward any comments or objections on

applications for final costs awards, as set out on the Intervener Costs Award Form, to the respective Intervener and to the Board within 10 working days after receipt thereof.

- 9.4.7 The Intervener seeking costs shall have a further period of 10 working days, after receipt of any comments by the Applicant under Section 9.4.6, to submit a response to the Board with a copy to the Applicant.
- 9.4.8 The Board will determine an Intervener's eligibility for a cost award and the amount of a final costs award taking into account the criteria established in Section 3.0.
- 9.4.9 Prior to making its determination on a final costs award, the Board may require further supporting documents from the Intervener seeking costs, such as additional information about the Intervener or records supporting particulars of costs.
- 9.4.10 The Board shall issue an order in response to each application for a final costs award, and if costs are awarded, the party ordered to pay the costs shall pay such costs within 15 days of the Board's cost order.
- 9.4.11 Payments shall be made to the participating party granted Intervener status in the proceeding, unless otherwise stipulated and supported by documentation.

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 and PF-6;
2. Extension Pro Formas EPF-1, EPF-3;
3. Rate Indication Figures RMO-1, RI-09, RI-10, and RI-11;
4. Dislocation Reports Figures DR-1, DR-4, DR-5, and DR-6;
5. Investments Figures INV-7, INV-8, INV-13, INV-14, and INV-22;
6. Narratives of the material impacts of updated interest rates in Pro-Forma statements and responses to Information Requests;
7. Comparison of changes to Pro-Forma Financial Statements from the date of the Application to the date of the Final Rate Indication; and
8. Amendments to any sections of the Application materially affected by the Final Rate Indication.

SCHEDULE "D"**2023/24 MPI GENERAL RATE APPLICATION TIMETABLE**

ITEM	2022 DATES	Day of the Week
1. Application Filed	June 15, 2023	Thursday
2. Notice of Public hearing Published	June 17, 2023	Saturday
3. PUB Issues Workshop	June 20, 2023	Tuesday
4. Intervener Registration Deadline	June 23, 2023	Friday
5. Pre-hearing Conference	June 28, 2023	Wednesday
6. PUB Procedural Order Issued	July 4, 2023	Tuesday
7. Round One Information Requests Filed (Public)	July 7, 2023	Friday
8. Round One Information Requests Filed (CSI)	July 11, 2023	Tuesday
9. Round One Information Responses Filed	August 2, 2023	Wednesday
10. Parties to file motions on Round 1 IRs	August 8, 2023	Tuesday
11. Board to hear Motions	August 11, 2023	Friday
12. Round Two Information Requests Filed	August 16, 2023	Wednesday
13. Reminder Notice of Public Hearing Published	August 26, 2023	Saturday
14. Round Two Information Responses	September 6, 2023	Wednesday
15. Parties to file any motions	September 12, 2023	Tuesday

16.	Hearing Issues Meeting of Counsel	September 15, 2023	Friday
17.	Board to hear motions	September 18, 2023	Monday
18.	Intervener Evidence Filed	September 20, 2023	Wednesday
19.	Information Requests on Intervener Evidence	September 25, 2023	Monday
20.	Interveners Information Responses	October 4, 2023	Wednesday
21.	MPI Rebuttal Evidence	October 6, 2023	Friday
22.	Rate Update Filed	October 4, 2023	Wednesday
23.	Oral Hearing commences	October 10, 2023	Tuesday
24.	Oral Hearing finishes	October 27, 2023	Friday
25.	PUB Order Released	December 6, 2023	Wednesday

SCHEDULE "E"**PROCEDURES TO BE FOLLOWED AT THE
MANITOBA PUBLIC INSURANCE CORPORATION 2024 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 10, 2023 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: Presenters will be heard commencing at 1:15 p.m. on Tuesday, October 10, 2023 and continuing that day as necessary.
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 "E"**) 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.pubmanitoba.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. Five (5) 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 Todd Andres, 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 2024/25 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: