



“When You Talk - We Listen!”



MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA PUBLIC INSURANCE CORPORATION (MPI)
2022/2023 GENERAL RATE APPLICATION
PRE-HEARING

Before Board Panel:

Irene Hamilton - Board Chairperson
Robert Gabor, Q.C. - Board Chair
Michael Watson - Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Avenue
Winnipeg, Manitoba

July 9, 2019

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Day 1 of 1

1 APPEARANCES

2

3 Kathleen McCandless) Board Counsel

4 Robert Watchman (by Teams)) Board Counsel

5 Kara Moore (by Teams)) Board Counsel

6 Darren Christle)

7 Kristen Schubert)

8 Roger Cathcart (by Teams)) PUB advisor

9 Kevin Yang (By Teams)) PUB advisor

10

11 Anthony Guerra) Manitoba Public

12 Luke Johnston) Insurance

13 Guneet Jassal (by Teams))

14 Ted Meira (by Teams))

15 Steve Scarfone) Counsel

16 Michael Triggs) Counsel

17

18 Katrine Dilay (by Teams)) CAC (Manitoba)

19 Gloria Desorcy (by Teams))

20

21 Antoine Hacault (by Teams)) Taxi Coalition

22 Jeff Crozier (by Teams)

23

24 Charlotte Meek (By Teams)) CMMG

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1 --- Upon commencing at 9:07 a.m.

2

3 OPENING COMMENTS BY THE CHAIRPERSON:

4 THE CHAIRPERSON: Good morning,
5 everyone. Welcome to the pre-hearing conference for
6 Manitoba Public Insurance 2022/'23 General Rate
7 Application that was filed on June 28th, 2021.

8 I'm Irene Hamilton, the Chair of this
9 panel of the Public Utilities Board. Joining me today
10 are the Board Chair, Robert Gabor, and Board member
11 Michael Watson.

12 The Board acknowledges that we are
13 gathered on ancestral lands Treaty 1 Territory,
14 traditional territory of the Anishinaabeg, Cree, Oji-
15 Cree, Dakota, and Dene peoples, and the homeland of
16 the Metis Nation.

17 The Panel is assisted in this General
18 Rate Application by Board Secretary Darren Christle,
19 Assistant Associate Secretary Jennifer Dubois, and
20 Judicial Hearing Assistant Kristen Schubert. Kathleen
21 McCandless, Robert Watchman, and Kara Moore will act
22 as Board counsel. Wendy Woodworth is the court
23 reporter joining by Teams.

24 As in prior hearings, the Board is also
25 assisted by technical advisors from Cathcart Advisors

1 and Eckler Partners.

2 The Public Utilities Board mandate is
3 to set just and reasonable rates that are in the
4 public interest. The public interest has been divined
5 -- defined by the Manitoba Court of Appeal as
6 balancing the impacts of rate increases on consumers
7 with the fiscal health of the Utility.

8 In order to set just and reasonable
9 rates that are in the public interest, the Board will
10 need to hear and consider all of the evidence that is
11 adduced on the record of this proceeding and hear
12 submissions from Manitoba Public Insurance and all
13 approved Interveners.

14 Manitoba Public Insurance is applying
15 to the Board for approval of its premiums charge with
16 respect to compulsory driver and vehicle insurance.
17 This General Rate Application will be conducted in
18 accordance with the provisions of the Crown
19 Corporations Governance and Accountability Act and the
20 Public Utilities Board Act.

21 We will employ throughout the process
22 the Board's Rules of Practice and Procedure which can
23 be viewed on the Board's website. Any questions in
24 terms of locating the rules can be posed to the Board
25 office.

1 In its application, MPI proposes new
2 premium rates to take effect on April 1st, 2022,
3 which, if granted, would represent a 2.8 percent
4 overall rate decrease over the current insurance year.
5 This rate is based provisionally on the naive interest
6 rate forecast as at March 31st, 2021, and is to be
7 updated to a final rate indication based on the
8 interest rate forecast as it September 30th, 2021.

9 MPI is also seeking removal of the 5
10 percent capital release approved by the Board in its
11 Orders 1 of '21 and 146/20, and leave for continued
12 use of the Capital Management Plan, or CMP, for the
13 2022/23 insurance year. This represents a one (1)
14 year extension of the two (2) year trial for the CMP
15 approved by the Board in Order 176 of '19.

16 MPI is not seeking any changes to
17 miscellaneous permits and certificates, driver
18 premiums, Basic service and transaction fees, or fleet
19 rebates and surcharges.

20 MPI is applying for changes to the
21 vehicle discounts available through the Driver Safety
22 Rating, or DSR system, primarily increases on the
23 discount rates applied to DSR levels plus ten (10) to
24 plus fifteen (15).

25 The requested changes include

1 increasing the maximum merit level under the DSR scale
2 from plus fifteen (15) to plus sixteen (16) in the
3 2022/23 policy year; allocating the rate decrease of
4 2.8 percent for which MPI is currently applying to the
5 DSR vehicle discount levels, with the most significant
6 need for rate decreases based on actuarial indications
7 and making no changes to DSR driver premiums.

8 As always, MPI bears the onus in this
9 proceeding of satisfying the Board that its
10 application should be granted on the whole of the
11 evidence that it provides.

12 MPI has also indicated to the Board
13 that it will be filing a Special Rebate Application
14 prior to public hearings for this GRA. The rebate
15 amount requested will reduce the minimum capital test
16 ratio of the rate stabilization reserve from its
17 current value to 100 percent using actual and
18 projected savings between March 31st, 2021, and
19 September 30th, 2021.

20 Our objectives for today's pre-hearing
21 conference are: to identify prospective Interveners;
22 to learn the reasons for their intervention; to hear
23 submissions on the issues to be included in the scope
24 of the General Rate Application, more particularly,
25 any variations from the preliminary issues list which

1 was approved by the Board on May 17th, 2021 in its
2 Interim Procedural Order number 56 of '21; to hear
3 requests from MPI or any proposed Interveners for pre-
4 qualification of expert witnesses they intend to call
5 at the public hearing; to gain an appreciation of any
6 cost awards that may be sought by the Interveners; and
7 to discuss and arrive at a timetable for the orderly
8 exchange of evidence and information throughout this
9 GRA process.

10 The Board welcomes public
11 participation. Individuals or groups may submit
12 written comments to be made to the Board.

13 In previous General Rate Applications,
14 the Board has invited members of the public to appear
15 in person to provide oral presentations. Due to the
16 exceptional circumstances in this GRA as a result of
17 COVID-19, public access to the Board's hearing room
18 may be limited, but the Board will continue to welcome
19 written comments on its web page.

20 As the public hearings approach in
21 October, the Board will have further direction on how
22 the public may participate. The Board will consider
23 what weight, if any, should be attached to information
24 received from members of the public which is not sworn
25 or subject to cross-examination.

1 All parties and the representatives and
2 consultants should be aware that the Board intends to
3 live stream the public hearings throughout -- through
4 a link accessible on the Board's website.

5 As such, the use of acronyms is to be
6 discouraged. This would not be only for the benefit
7 of persons watching the live stream of the
8 proceedings, but also for the benefit of Board
9 members. It will assist in the Panel's and the
10 public's understanding of the issues and evidence if
11 acronyms are avoided.

12 The Board appreciates some potential
13 Interveners who will be -- will be seeking costs award
14 at this time may not have provide -- provided detailed
15 budgets as the approval of Intervener status and the
16 approval of issues for each Intervener have not been
17 given.

18 After the Board has issued its
19 procedural Order approving Intervener status and
20 issues, approved Interveners will be required to file
21 their detailed budgets within the time prescribed by
22 the Board. Prospective Interveners should familiarize
23 themselves with the Board's Intervener Cost Policy,
24 which is available on the Board's website.

25 The Board is continuing with its pre-

1 qualification process for expert witnesses this year.
2 In her opening remarks, PUB counsel Ms. McCandless
3 will read the process into the record. Ultimately,
4 the Board will determine what weight, if any, to
5 attach to each expert's testimony.

6 The Manitoba Ombudsman has issued
7 privacy guidelines for administrative tribunals. The
8 PUB is mindful of its obligations under those
9 guidelines. Its decision in respect of the
10 Application being considered will be sensitive to
11 them.

12 Personal information will not be
13 disclosed unless it is appropriate and necessary to do
14 so. However, the PUB advises participants that these
15 proceedings are public and that, as a result, personal
16 information protections are reduced.

17 I will now call upon Board counsel for
18 introductions, followed by MPI's counsel, Mr. Scarfone
19 or Mr. Guerra, to introduce representatives of MPI
20 that are present, after which I will call on the
21 prospective Interveners that are present to introduce
22 themselves.

23 Once we have heard all introductions, I
24 will call on Board counsel to make opening comments.
25 Thank you.

1 Ms. McCandless...?

2

3 INTRODUCTIONS:

4 MS. KATHLEEN MCCANDLESS: Thank you.

5 Good morning, Madam Chair. Good morning to members of
6 the Panel. Kathleen McCandless, appearing as Board
7 counsel this morning. My co-counsel Robert Watchman
8 and Kara Moore are in the building and listening
9 offsite, as is the Board's accounting advisor, Roger
10 Cathcart.

11 MR. ANTHONY GUERRA: Good morning,
12 Madam Chair. Anthony Guerra, counsel for MPI. This
13 morning as well I can also indicate that I'm joined by
14 our general counsel and corporate secretary Mr.
15 Michael Triggs, as well as our vice-president and
16 chief actuary (AUDIO CUTS OUT) Luke Johnston (AUDIO
17 CUTS OUT).

18 THE CHAIRPERSON: For those who are
19 listening or participating on the live streaming,
20 could you please moot -- mute your microphones? We're
21 getting a lot of (AUDIO CUTS OUT).

22

23 (BRIEF PAUSE)

24

25 MR. ANTHONY GUERRA: Thank you.

1 THE CHAIRPERSON: Sorry, Mr. Guerra.

2 MR. ANTHONY GUERRA: That's okay.

3 Thank you. I should also mention that there are a
4 number of other people who are joining us remotely at
5 this time, including our regulatory affairs
6 individuals Ted Meira and Guneet Jassal.

7 THE CHAIRPERSON: Thank you.

8 Ms. Dilay...?

9 MS. KATRINE DILAY (by Teams): Good
10 morning, Madam Chair. This is Katrine Dilay, K-A-T-R-
11 I-N-E, D-I-L-A-Y. I'm a lawyer with the Public
12 Interest Law Centre, and we represent the Consumers'
13 Association of Canada, the Manitoba branch. And I
14 understand that Ms. Gloria Desorcy is also listening
15 in on the Teams broadcast. Thank you.

16 THE CHAIRPERSON: Thank you.

17 Ms. Meek...?

18 MS. CHARLOTTE MEEK (by Teams): Good
19 morning. Charlotte Meek here, counsel from BD Oakes.
20 I'm representing the Coalition of -- of Manitoba
21 Motorcycle Groups this year. Thank you.

22 THE CHAIRPERSON: Thank you.

23 Mr. Hacault...?

24 MR. ANTOINE HACAULT: Bonjour, Madam
25 Chair, members of the Panel. My name's Antoine

1 Hacault, of Thompson Dorfman Sweatman LLP. With me is
2 Jeff Crozier, and we are representing the Taxi
3 Coalition.

4 THE CHAIRPERSON: Thank you.

5 Ms. McCandless, your opening
6 submissions, please.

7

8 OPENING SUBMISSIONS BY BOARD COUNSEL:

9 MS. KATHLEEN MCCANDLESS: Thank you.

10 First, I would just point out that the agenda for
11 today's pre-hearing conference is on the screen.

12 Thank you, Kristen. So these are the matters that we
13 expect to be dealt with this morning.

14 Second, I would like to enter some
15 exhibits --

16 MR. EDUARD HIEBERT: Excuse me.

17 MS. KATHLEEN MCCANDLESS: -- for the
18 record on behalf of the PUB. The first is PUB-1, the
19 Notice of Public Hearing and Pre-Hearing Conference,
20 dated June 26, 2021.

21

22 --- EXHIBIT NO. PUB-1: Notice of Public Hearing
23 and Pre-Hearing Conference
24 - June 26, 2021

25

1 MS. KATHLEEN MCCANDLESS: PUB-2 is the
2 Board's Rules of Practice and Procedure.

3

4 --- EXHIBIT NO. PUB-2: The Public Utilities
5 Board's Rules of Practice
6 and Procedure.

7

8 MS. KATHLEEN MCCANDLESS: PUB-3 is the
9 proposed hearing timetable.

10

11 --- EXHIBIT PUB-3: Manitoba Public Insurance
12 2022 General Rate
13 Application - Proposed
14 Timeline

15

16 MS. KATHLEEN MCCANDLESS: PUB-4 is a
17 letter from the Assistant Associate Board Secretary,
18 Jennifer Dubois, to MPI and all prospective
19 Interveners dated June 28, 2021, with attachments.
20 And that letter addressed such issues as Intervener
21 responsibilities, MFRs, or minimum filing
22 requirements, the pre-hearing workshop, today's pre-
23 hearing conference, the -- and the format to be used
24 for Information Requests.

25

1 --- EXHIBIT PUB-4: Public Utilities Board
2 letter to all parties re:
3 Timetable, MFR's and IR
4 template - MPI 2022/23 GRA
5 - June 28, 2021

6
7 MS. KATHLEEN MCCANDLESS: PUB-5 is a
8 letter from Ms. Dubois to MPI and all prospective
9 Interveners dated June 28, 2021, which addressed the
10 pre-qualification process for expert witnesses.

11

12 --- EXHIBIT PUB-5: Public Utilities Board
13 letter to all Parties re:
14 Pre Qualifications -
15 Manitoba Public Insurance
16 2022/2023 GRA - June 28,
17 2021

18

19 MS. KATHLEEN MCCANDLESS: And so I
20 will now read the process into the record:

21 First, a party intending to call expert
22 witness or witnesses in the GRA hearings is to give
23 notice to the Board of its intention to have the
24 witnesses pre-qualified at today's pre-hearing
25 conference, and to provide the curriculum vitae of the

1 witness to the Board, along with the proposed areas of
2 qualification for the witness or witnesses.

3 At today's conference, the party shall
4 make submissions to the Board as to the qualifications
5 of the witness or witnesses and request pre-
6 qualification of the Board. The witness does not need
7 to be called to give viva voce evidence today to speak
8 to his or her qualifications.

9 Other parties may make submissions to
10 the Board regarding the requests for pre-
11 qualification. If there are no objections from any of
12 the parties to the request for pre-qualification, the
13 Board will issue its decision on pre-qualification in
14 the Procedural Order following today's conference.

15 If the Board grants the request for
16 pre-qualification, then there will be no need to
17 qualify the expert when called to testify in the
18 public hearings. If there are objections to pre-
19 qualification, or if the Board declines the request
20 for pre-qualification, then the expert witness will
21 need to be examined on their qualifications at the
22 public hearings.

23 The next PUB exhibit for the record is
24 Board Order number 56 of '21 which is dated May 17,
25 2021. And that set out the preliminary issues list

1 for this GRA.

2

3 --- EXHIBIT NO. PUB-6: Board Order 56/21 -
4 Manitoba Public Insurance
5 - Interim Procedural Order
6 Respecting Preliminary
7 Issues list for 2022
8 General Rate Application
9 for Compulsory 2022/2023
10 Driver and Vehicle
11 Insurance Premiums and
12 Other Matters - May 17,
13 2021

14

15 MS. KATHLEEN MCCANDLESS: Prior to
16 hearing from prospective Interveners, I confirm that
17 each should provide the following information to the
18 Board in order that it can deliberate on and decide
19 intervention.

20 First, an indication of their
21 constituency and interests.

22 Second, an outline of the areas of
23 MPI's application that they intend to test.

24 Third, their reasons for requesting
25 Intervener status.

1 Fourth, their plans to call evidence at
2 the Hearing.

3 And, fifth, whether they intend to seek
4 an award of costs, bearing in mind that the proposed
5 budget is to be provided to the Board in accordance
6 with the Board's Intervener cost policy.

7 As always, the Board will apply the
8 criteria set out in the Board's rules and Intervener
9 cost policy with respect to the awarding of costs,
10 such decisions being at the sole discretion of the
11 Board.

12 Lastly, at the pre-hearing workshop
13 which took place on Monday of this week the
14 preliminary issues list was discussed. And you will
15 hear further comments on the issues list today.

16 The Panel will be asked to issue as
17 part of the Order following this pre-hearing
18 conference the final issues list for this General Rate
19 Application.

20 Those are my submissions. Thank you.

21 THE CHAIRPERSON: Thank you. Mr.
22 Guerra...?

23

24 OPENING SUBMISSIONS BY MPI:

25 MR. ANTHONY GUERRA: Thank you, Madam

1 Chair. Before we begin with our presentation I would
2 note that there are some comments, opening remarks,
3 that Mr. Triggs has indicated he'd like to make as
4 well as I understand we'll be hearing from Mr.
5 Johnston before, as well.

6 MR. EDUARD HIEBERT: By the way --
7 hello.

8

9 (BRIEF PAUSE)

10

11 THE CHAIRPERSON: Sorry, Mr. Triggs.
12 Please proceed.

13 MR. MICHAEL TRIGGS: I thought I heard
14 someone from the teleconference line speaking. Okay.
15 I think it'd be kind of an understatement to say a lot
16 has changed in the last year, there were, a year ago.

17 And when you think back on a lot what
18 actually has changed in the MPI, and a lot of that's
19 going to impact this coming Hearing. And I'd just
20 like to bring some of the -- the changes to the
21 Board's attention, what's -- what's happened.

22 As you know, Mr. Ben Graham, who is our
23 former CEO, left in October just before the last
24 Hearing. And he has been replaced by Mr. Eric
25 Herbelin, who is -- is our new President and CEO. He

1 began work in January.

2 A lot of Mr. Herbelin's experience is
3 outlined in the -- the overview chapter of the -- the
4 GRA material. But what the Board panel members may
5 not know is that Brad Bunko, our Vice-president and
6 Chief Information Officer, he had also retired in
7 February of this year.

8 Mr. Bunko has been replaced by CIO, Sid
9 Parti. Mr. Parti brings a wealth of variety of IT
10 experience from the different private industries. He
11 has over twenty (20) year -- twenty (20) plus years of
12 experience working in India, Australia, the United
13 States and Canada.

14 And we're quite excited to have him
15 with our executive team and the unique perspective
16 that he brings to the organization.

17 Today is Mr. Johnston, our chief
18 actuary's, last day of work at MPI. And we made him
19 come into the -- the Hearing for -- for that. He's
20 spent so many years appearing before the PUB and I
21 thought it was appropriate that he comes here today.

22 In addition, John Remillard, who is our
23 director for the Project Nova Delivery Team, he also
24 retired in January. Mr. Remillard has been replaced
25 by Alex Ramirez.

1 Alex is a -- I'm very impressed with
2 Alex's abilities and his -- the role he's taken on and
3 his responsibilities. And I think the Panel and the
4 Interveners and counsel will be also impressed by him.
5 I think he's be what you'd call the -- the new
6 smartest guy at MPI, and I'll refer to that in a few
7 moments here.

8 But one (1) of the big concerns we --
9 we feel as we were preparing this application, this is
10 probably the -- the most complicated GRA that MPI has
11 ever filed. And (AUDIO CUTS OUT) was -- is, you know,
12 we were immersed in this for four (4) months and we're
13 try -- we understand the intricacies and -- and
14 everything, how things interrelated and so forth.

15 But our concern is that, for someone
16 looking at it for the very first time, as there's so -
17 - so many different issues, that they may find it a
18 little bit confusing and that.

19 We hope that it isn't confusing. We
20 hope that it is straightforward, but we recognize the
21 possibility that it is -- it will be for someone who's
22 looking at these new issues.

23 And what we want to ensure is that
24 everyone understands, the Interveners were -- the
25 counsel, the -- the Panel, that, in -- in this

1 process, as we go through the -- where MPI's going to
2 fully cooperate with everyone involved in this Hearing
3 to ensure that they understand what we're doing, why
4 we're doing it, how it works.

5 At the end of the day, people may not
6 agree with what we're doing, but at least they'll --
7 they'll have that understanding of why we're doing
8 what we are.

9 And I also believe that it's -- it's
10 important to understand, you know, why this GRA is so
11 complicated and why there's so many unique issues that
12 -- that came up. And -- and some of them are coming
13 up even at the last minutes.

14 And that's why the -- we initially
15 hoped to file the application on -- on June 24th, but
16 we had to push it back a week because things are
17 changing up in the weeks before our filing, so we had
18 to redo a bunch of documents on that.

19 I think that the -- the most immediate
20 reasons to why it's complicated is because we have
21 such an excess amount of capital that resulted from
22 there being so many fewer accidents resulting from the
23 -- the pandemic, so fewer people on the road, there's
24 fewer accidents.

25 We require -- that we don't need the

1 money that we had initially forecasted for, so how do
2 we give it back, this money, as quickly and as
3 efficiently and as fairly as possible to them.

4 We looked at our capital release
5 provisions that were in the Capital Management Plan.
6 And we just thought that, you know, they -- they
7 weren't contemplated for the pandemic scenario.
8 They're just not adequate at all for getting that
9 money back to the -- the ratepayers as -- as quickly
10 as possible, so -- well, it's just not viable to try
11 and return this money to ratepayers through the GRA
12 process.

13 And then we also -- you know, we
14 recognize there's a lot of constraints that we have
15 under the reserves regulations. So, as such, we
16 figured the best way to do this is -- kind of the --
17 we did with the two (2) previous special rate --
18 rebate applications and that is that go to a -- seek
19 the -- the Board's approval to amend those previous
20 Orders so that we can -- we don't need as much
21 premiums that's been collected. And then we can
22 rebate those moneys with that.

23 But that then, of course, leads into a
24 timing issue. When -- when we were preparing this
25 application, Manitoba was in the midst of the -- the

1 third wave of the pandemic. We're having the -- the
2 highest infection rates in North America, and which --
3 well, how are we going to make this work?

4 And our goal is -- what we wanted to do
5 is have one (1) cheque, one (1) final rebate to close
6 off all the excess capital that's been collected. We
7 -- you know, this will be the third rebate
8 application.

9 We don't want to have a fourth one. We
10 want to get this thing set so that it is clear and we
11 have -- we have the -- the right amount of money
12 determined and we know when (AUDIO CUTS OUT) over and
13 we're not going to see the excess capital being --
14 accruing because of this.

15 So, we know what -- what we want to do.
16 We know how we want to do it. We're just not exactly
17 sure as, you know, when the -- the Hearing is -- the
18 application is going to be made on that point.

19 We're -- we're anticipating that we're
20 going to make the application in the coming weeks, and
21 it's going to be somewhat provisional, the same way
22 the GRA is provisional. We'll finalize numbers coming
23 closer to the -- the GRA.

24 Now, of course, the timing issue
25 relates -- creates a whole bunch of procedural issues

1 for the -- for this application because, you know, the
2 -- the two of them, although they're separate
3 applications, they're -- they're completely
4 interrelated, they're -- they commingled, and we feel
5 that we -- they have to be dealt with at the same time
6 on that.

7 And we wanted to be upfront and
8 transparent with the -- the PUB, this is what we're
9 doing. We didn't want to have a situation where it's,
10 okay, well, come September, October, whatever, we'll
11 file an application for the special rebate.

12 We want to be upfront with everyone, know
13 what we're -- we're doing on this so they can ask the
14 questions, be prepared for this because we all have
15 the same goal on this. One is determine the proper
16 rates and determine the proper amount of money to be
17 rebated to customers.

18 And as will be explained a little bit
19 by Mr. Guerra a little bit further this morning, our
20 GRA material contains all the information that we
21 currently have related to the rebates.

22 So, when people are asking in the First
23 Round Information Requests, we feel it's perfectly
24 legitimate and -- and reasonable for them to ask the
25 questions about the rebate in the GRA application and

1 we're perfectly happy with that.

2 And the information that is gained from
3 that we can transfer it over to the -- the Special
4 Rebate Application and the -- the evidence -- we don't
5 -- we want to make this simple and easy for people.
6 We don't want to make -- you know, have any procedural
7 complications to make it a challenge for people.

8 The evidence is going to be there, and
9 we want that to be out in front for everyone (AUDIO
10 CUTS OUT) Panel to consider that and the Interveners
11 to use.

12 Now, if all of this wasn't complicated
13 enough on this, we knew that we wanted to be giving
14 away the rebate. We knew that there's going to be at
15 least \$155 million to be rebated on that.

16 But come -- timing question comes into
17 when you accrue it. If you accrue it in this
18 particular fiscal year amount, it affects the
19 Government of Manitoba's consolidated financial
20 statements in a certain way. If you accrue it in the
21 previous fiscal year, it affects the consolidated
22 financial statements another way.

23 In -- in the weeks before filing, the
24 government advised us they wanted to have it accrued
25 in last year's financial statements. So we had to

1 redo our -- a lot of our documents and that. It
2 doesn't affect the application at all. The -- some of
3 the numbers around the columns.

4 So that created a little bit of, you
5 know, complexity to the -- our filing we had to do
6 there.

7 Then last year's rate application, we
8 included the 5 percent capital release as per -- as
9 per provision of the Capital Management Plan. As we
10 previously stated, you know, the CMP is not the best
11 way to do the -- these large, massive capital
12 releases. You don't get money back to people as
13 quickly as -- so another problem we identified is
14 that, when you release money through reduction in
15 rates, it affects when you're using the accepted
16 actuarial practices for break even, it creates a
17 premium deficiency because you're asking for 5 percent
18 less money than what you were -- really require for
19 break-even rates.

20 So the next year, you're actually
21 having to go back to the same break even, back to
22 seeking a 5 percent increase in -- in rates. And we
23 didn't want to do that.

24 And so, then that creates kind of, you
25 know, complexity or potential confusion. And we hope

1 we're clear on this, is that, you know, on the one
2 hand, we're seeking 2.8 percent rate reduction on the
3 -- on the AAP rates. But we're also then releasing
4 the -- the -- moving the capital release provision,
5 which then creates potentially (AUDIO CUTS OUT)
6 percent increase.

7 But then, on the other hand, we're --
8 three hands going here -- we're giving a rebate of
9 \$155 million and potentially we forecasted it would
10 probably be closer to 200 million.

11 So all those things are, you know,
12 bouncing around. People can be kind of, you know,
13 What is happening with this rate application?

14 Again, I want to reiterate that we're
15 going to be, you know, fully transparent and open and
16 cooperative with explaining what's happening and --
17 and how the numbers are -- are working on this one
18 here.

19 Another matter that, you know,
20 complicated this -- it doesn't really impact directly
21 upon Basic. Leads to the -- our DVA, our driver and
22 vehicles line of business. It's something that we
23 operate on behalf of the Government of Manitoba (AUDIO
24 CUTS OUT) last number of years, there's been some
25 shortfalls in that funding. And we've been working

1 with the government to try and establish, you know,
2 What's a long term viable funding arrangement with --
3 for the operation of this business.

4 And although those may be, you know,
5 different permeations and combination where Basic
6 comes down to it, there's two (2) ways in which MPI
7 can receive -- or extra money can be raised for that.

8 One is to increase the area's fees and
9 services that are charged for the DVA service that we
10 provide to customers. Or the other way is to be a
11 reduction in the amount of money that the government
12 collects from all these -- these fees.

13 So but when the pandemic has hit the
14 government -- we've been in these discussions for a
15 number of years. And when the pandemic hit, you know,
16 it's hit the government's finances very -- very hard.
17 And it's also, you know, hit Manitobans very hard
18 (AUDIO CUTS OUT) government has advised us that for
19 the foreseeable future, in the next coming years, MPI
20 is going to have to operate its DVA on the set amount
21 of money, that's roughly \$30 million.

22 So our expenses are in excess of \$30
23 million. What are we going to do? How are we going
24 to get -- to cover this.

25 So instead of, you know, using the

1 money that would have been flowing through the Capital
2 Management Plan from Extension to Basic, and then
3 potentially into the RSR, MPI is going to be using
4 that money to fund the -- the DVA line of business.
5 So they did that for this past year and the exact
6 number escapes me at this moment as to how much that
7 transfer was, from fifty-five, \$60 million was
8 transferred over.

9 And then, we're -- the Board also --
10 also recognizing -- and we haven't done this transfer
11 yet, but we recognize -- we want to bring it to
12 everyone's attention, be upfront about this, is that,
13 at the end of this coming fiscal year, we're probably
14 going to be transferring an additional amount of money
15 from Extension to the DVA line of business to cover
16 off the shortfalls through the coming years and to
17 cover off the shortfalls from -- from the Project
18 Nova's -- DVA line of business costs associated with
19 Project Nova.

20 So these are Extension monies that are
21 going to go towards paying for the DVA line of
22 business for the coming years on that.

23 So these are kind of, you know, a lot
24 of the big issue highlights that made this more of a
25 complicated application. And that's before we even

1 get to the -- some of the major actuarial changes that
2 we are doing in -- in this application.

3 The biggest ones we're doing (AUDIO
4 CUTS OUT) for a number of years. (AUDIO CUTS OUT)
5 recognize that the scale is not really actuarial sound
6 for the -- like the various levels, steps, of the
7 scale. That they don't reflect the costs associated
8 with that. And -- and we want to move to changing
9 that.

10 We've, you know, taken the PUB's and
11 the Interveners' suggestions on these matters, and
12 we're -- we're moving towards making it more actuarial
13 sound. And that takes -- it's going to take a number
14 of years to do that. And so, we've started that
15 process here.

16 So that's been brought forward but
17 there's also -- those changes have to be absorbed
18 within the 2.8 percent change in the AAP rates.

19 So all in all, it's been a very hectic
20 time for staff preparing this application and that.
21 They've been working very hard and been very, you
22 know, proud of the effort they put into it.

23 I know a lot of the staff have been
24 working 9:00, 10:00, 11:00 at nights for many weeks --
25 many ways that -- the days for the last few months. I

1 receive emails at two o'clock in the morning from
2 people working on things.

3 Our goal and our desire was to make
4 this as easy to understand -- because it's a very
5 complicated application. I -- I hope that we have
6 done that. But if, you know, there's any sort of, you
7 know, concerns (AUDIO CUTS OUT)

8 On another changing topic a bit -- I
9 mentioned this earlier -- that, you know, Luke
10 Johnston, it's his last day. And got to be upfront,
11 transparent for the next two (2) to three (3) years.
12 Any sort of actuarial problems or concerns, we're
13 going to be blaming Luke for this. It's all his
14 fault.

15 Similarly, we're going to be doing
16 everything with, you know, Ben Graham and Brad -- it's
17 all their fault. It's not the new team's fault. And
18 that's what friends are for, is to throw them under
19 the bus.

20 Marilyn -- I've been told that Marilyn
21 McLaren, one of our former CEOs, she used to tell
22 people that she thought Luke Johnston was the smartest
23 person at MPI. I heard that from other people -- not
24 just Luke.

25 But I -- I thought it was very

1 important, though, that he come here today and
2 recognize his service that he has done for Manitobans.
3 He has been a significant contributor to the PUB rate
4 application process for the last twenty (20) years. I
5 think there's very few people in Manitoba who've
6 contributed more to that process.

7 And we've enjoyed a very successful and
8 fairly priced products, and that has a lot to do with
9 the work that Luke has done.

10 And that's what the people, you know,
11 here see. They see the work he's done. You've seen
12 him testify, explain things. His forthright nature in
13 that.

14 But one (1) of the things that you
15 don't see and what I really value is that he has been
16 a champion internally in the organization for the last
17 number of years for the transparency that you've seen
18 from MPI in the last (AUDIO CUTS OUT). He's really
19 been behind that. (AUDIO CUTS OUT) Panel members to
20 hear that, the Interveners to hear that.

21 And he's been a champion for that. And
22 I think that is something that has been very
23 constructive and helpful for this whole process.

24 He's also been very much responsible
25 for the -- this -- the relationships, the strong

1 positive relationships that we've had -- MPI's had
2 with the various Interveners.

3 (AUDIO CUTS OUT) he went to meet with
4 motorcyclists and speak to them, explaining to them
5 why are they paying so much for their rates and
6 personally went out and took these steps and -- and
7 been here at the PUB for, as I said, for -- is it
8 twenty (20) years, just bringing these applications.

9 (AUDIO CUTS OUT) on behalf of the MPI,
10 like, you know, thank him for this service that he has
11 provided to us (AUDIO CUTS OUT) Manitobans. Those are
12 my comments and I think -- we wished him to come here
13 to say goodbye.

14

15 (BRIEF PAUSE)

16

17 THE CHAIRPERSON: Mr. Guerra...?

18 MR. ANTHONY GUERRA: Thank you. I --
19 I believe Mr. Johnston wants to make a few comments.

20 THE CHAIRPERSON: Mr. Johnston...?

21 MR. LUKE JOHNSTON: Thanks for those
22 comments, Mike. I don't -- I don't do great with
23 public praise, but nice to hear I was appreciated for
24 the work that I did.

25 I've -- everyone's heard me ramble

1 about numbers here for twenty (20) years, so I won't
2 be doing that today. The -- I'll be pretty brief, but
3 I did have just a few kind of takeaways reflecting on
4 everything, so I'll share those with you.

5 I guess the first thing, it's -- it's
6 definitely a privilege to -- to do this. The -- I
7 believe in the MPI program and -- and the PUB process
8 and -- and in everything. I guess -- to be able to
9 tell you about it has it been a reward.

10

11 (BRIEF PAUSE)

12

13 MR. STEVE SCARFONE: So, Madam Chair,
14 you know, Mr. Johnston is leaving us. He's not going
15 to get away that easy though. We're all impressed
16 with his new opportunity, but I will have a few
17 questions for him before he leaves.

18 And I would suggest that the Panel, if
19 they have any questions that perhaps are pressing
20 about the CMP, of course, that was conceived by Mr.
21 Johnston, the DSR, he was instrumental in developing
22 that with Marilyn McLaren, so there's changes being
23 made to that.

24 So, this will be your opportunity, and
25 -- and I saw the agenda, and you know, I would ask Mr.

1 Johnston to make a few comments as it concerns the
2 Taxi Coalition Intervention and an update for the
3 Board on where the loss ratios are at, because I --
4 I'm going to speak later to their intervention.

5 So, I know Mr. Johnston had some
6 comments left. He wants to make an exit, stage left,
7 I think, as soon as possible. So, maybe we can
8 shuffle the agenda and have Mr. Johnston speak to a
9 couple things and then he can depart, because this is
10 his last day. And then we can move forward with the
11 agenda.

12 THE CHAIRPERSON: Well, thank you very
13 much for that suggestion, Mr. Scarfone, but I think
14 that at this point we're more than happy to hear Mr.
15 Johnston's departing remarks. But he can certainly
16 respond to the Intervention Application.

17 Unfortunately, we're not going to be
18 able to hear his evidence anymore, which is really too
19 bad. I can say on behalf of the Board that we have
20 certainly valued and appreciated your testimony and
21 your straightforward and very helpful answers to
22 questions that have been posed by the Board and by the
23 Interveners, and thank you very much for your
24 participation in this process.

25 MR. LUKE JOHNSTON: And thank you for

1 that timeout. It has been -- I -- I believe in the
2 purpose, and so it's -- it's been very rewarding to --
3 to be here, and I've never taken that for granted.

4 The -- the other thing that -- you
5 know, a lot of people think it's, you know, it's, you
6 know, it's rates or whatever. It's really -- I'm just
7 a spokesperson, right, but everybody at MPI
8 contributes to the claims or the investments.

9 If we have a rate decrease, it's
10 because -- and I guess a lot of people ask if it's
11 hard to do this. I guess it's pretty hard right now,
12 but if you just do what you think is right every day,
13 it should be easy to testify, and I hope you saw that.

14 In regards to the -- the smartest
15 person comment, I think I just listened -- listened to
16 people. And if you do that then you know what's going
17 on, right down -- right down to the front lines,
18 right.

19 So, it's -- yeah, it's been my pleasure
20 to be here and I thank everyone here for the important
21 work they do and it's been a -- it's been a pleasure.
22 Thanks.

23 THE CHAIRPERSON: Mr. Gabor...?

24 THE BOARD CHAIR: Yeah, if I could add
25 some comments, Mr. Johnston. My first MPI Panel

1 Hearing Mr. Johnston testified. And as we heard many
2 times, through many hearings, the court reporter would
3 have to say, Mr. Johnson, you have to speak up.

4 And I remember the first time they said
5 that he said, Yes, I -- I know I speak too quietly. I
6 don't raise my voice. And some have suggested that I
7 am boring, but after all, I am an actuary.

8 The -- the material Mr. Johnston
9 provided is complicated evidence. Quite frankly, I
10 went from drinking one (1) cup of coffee to five (5)
11 cups of coffee during the week of actuarial evidence
12 where people who love numbers got so excited by
13 changing projections that were beyond me.

14 But the Panel -- I would say honestly,
15 Mr. Johnston, the Panel always appreciated your
16 honesty, your attempt at transparency and explanation,
17 trying to ensure people understood what was going on.

18 And somebody who knew much more about
19 the area than me, Brian Pelly, who was our actuary who
20 resigned -- sorry, who retired, had the utmost respect
21 for you and he always enjoyed talking to you.

22 He said that you are always very
23 bright, always very straightforward, even on issues
24 where you may not agree completely, you were always
25 very respectful and he understood exactly where you

1 were coming from and that he believed that you always
2 did what you believed was right.

3 And as sort of the oldest member of the
4 Panel, on -- on behalf of the Board, I would -- I
5 would really like to thank you for that and for
6 educating not only us, but the public, and for
7 performing your -- your duty with such candour and --
8 and such grace. So, thank you on behalf of the Board.

9 THE CHAIRPERSON: Mr. Guerra...?

10 MR. ANTHONY GUERRA: Thank you. And
11 before I begin, I just wanted to mention my own -- my
12 own comments, that even though I've only been here for
13 less than five (5) years, I can say that when I first
14 took on the -- the role with Mr. Scarfone, in terms of
15 advancing this rate application, I was introduced to -
16 - to Luke and -- and quickly understood him to be the
17 rock star witness.

18 And by that I mean, he didn't like to
19 prepare. He didn't like to come to come to his mock
20 cross-examinations. He didn't like to be told how to
21 present his evidence. He didn't like to do a lot of
22 things that I think most lawyers would have wanted him
23 to do.

24 But at the same time, when he -- he did
25 present, he presented in a way that was extremely

1 credible, and I think that's the most important thing
2 that, as a lawyer, you can expect from a witness is to
3 present their evidence in a way that is honest and
4 fair and -- and in a credible way.

5 And so I commend Mr. Johnston for --
6 for his approach, and I hope others will model
7 themselves after that. And, you know, he's going to
8 be sorely missed. We are certainly losing our rock
9 star.

10 So we do have a number of exhibits we'd
11 like to just make sure are referenced on the record.
12 Obviously, the first MPI exhibit is the Application
13 itself, followed by a number of exhibits that were
14 tendered in the past couple of days, including MPI
15 Exhibit Number 2, which is our DSR Appendix Number 1,
16 the Driver Safety Rating Pricing Review; MPI Exhibit
17 Number 3, which is the EAR, or External Actuary
18 Review, Attachment B, the Actuary Report for Basic as
19 at March 31st, 2021; Exhibit Number 4, which is the
20 RMF, or Rate-Making Framework, Appendix 5, the Risk
21 Scorecards, redacted version; and then finally, the
22 document I'm going to be referring to this morning
23 which is Exhibit Number 5, the Pre-Hearing Conference
24 Slide Deck.

25

1 --- EXHIBIT NO. MPI-1: MPI-1Manitoba Public
2 Insurance Corporation -
3 2022 General Rate
4 Application - June 28,
5 2021
6
7 --- EXHIBIT NO. MPI-2: Part VI - DSR - Appendix 1
8 - Driver Safety Rating
9 Pricing Review - July 7,
10 2021
11
12 --- EXHIBIT NO. MPI-3: Part VIII - EAR -
13 Attachment B - Actuarial
14 Report on MPIC Universal
15 Compulsory Automobile
16 Insurance as of March 31,
17 2021 - July 7, 2021.
18
19 --- EXHIBIT NO. MPI-4: Part VII- RMF - Appendix 5
20 (redacted) - MPI Risk
21 Scorecards - July 7, 2021
22
23 --- EXHIBIT NO. MPI-5: Pre-Hearing Conference
24 slide deck.
25

1 MR. ANTHONY GUERRA: Ms. Schubert, if
2 you can please go to the second page of the
3 presentation, and just -- this is a review of the
4 topics we'll be talking about. Some of the areas that
5 we'll be discussing today have been previously
6 addressed by My Learned Friend Mr. Triggs, and I -- I
7 won't belabour those points too much, but I do think
8 it's important for us to go through these topics.

9 So the first topic that we'll discuss
10 today is the -- the theme of the GRA, what we see as
11 the -- the reason for -- for this Application, and --
12 and the -- the main themes that will be drawn out
13 through the process. Then I'll go through a summary,
14 we'll talk about the issues list and any tweaks that
15 MPI supports to that list.

16 The Rebate Application, we'll talk
17 about some of the procedural aspects of that as well,
18 as well as the October rebate, the process for
19 confidential treatment of -- of information and
20 documents, the Information Request procedure, the
21 Intervener applications, pre-qualification of experts,
22 and timetables.

23 On the first issue, which is the theme
24 of the GRA, as noted by my -- My Friend Mr. Triggs,
25 there are a number of highlights which include

1 obviously the introduction of our new CEO, Mr.
2 Herbelin.

3 COVID-19 obviously is -- is --
4 continues to be a very much -- or very much the -- the
5 main theme of our -- our GRA, but what you'll see
6 through our Application materials hopefully is that,
7 notwithstanding the -- the chaos that the pandemic
8 presents, it has actually been a successful adaptation
9 by MPI in that our operational expenses have -- have
10 fared very favourably.

11 Our work-from-home strategy has been
12 very successful. Our customer service options
13 continue to -- to be there for our customers, and in
14 some cases have been actually improved. And then we
15 continue to see efficiencies in terms of our staffing
16 levels and things like that.

17 So there are a number of positives to
18 the -- the COVID experience that we've had, and we
19 certainly would like to highlight those for the
20 consideration of the Board.

21 In terms of Project Nova, as the Board
22 has seen, there has been a new NPV, or net present
23 value, which has now increased the NPV from 12.5
24 million to 18.4 million. And we simply -- we'd
25 certainly rather see lots of positives in -- in how

1 that project is progressing.

2 And finally, you'll hear briefly about
3 MPI 2.0, which is a new five (5) year initiative that
4 MPI has launched that looks into the future, I think,
5 past Nova, and -- and what -- what MPI aims to do in -
6 - in the very far future.

7 In terms of the Capital Management
8 Plan, as you've heard from -- from us previously, we -
9 - we gained some valuable insight from our -- our two
10 (2) year trial period, and the pandemic especially has
11 taught MPI a lot about the benefits and disadvantages
12 of the current system.

13 What we should take away from this is
14 that MPI now prefers rebates, probably something that
15 we never expected we would be saying two (2) years
16 ago, to us -- to the releases under the Capital
17 Management Plan.

18 And so we are presently developing
19 methodology to -- to help address the inequities that
20 might result from -- from release methodology under --
21 under the COVID-19 or COVID-19-like circumstances.

22 And then also, as My Friend Mr. Triggs,
23 has mentioned, there was the Extension to DVA
24 transfers, and support has been provided for -- for
25 that decision.

1 We also welcome questions from both the
2 Board and from Interveners throughout this entire
3 process to understand why it is that those transfers
4 were done, and anything in particular about the
5 complexities of this Rate Application.

6 This isn't a situation where MPI is
7 going to be saying to any Interveners or to counsel,
8 you know, asked and answered. We will answer
9 questions, we will answer repeat questions if needed,
10 so that the parties do understand exactly what this
11 rebate -- or what this Application's about and why
12 certain decisions were made on things like Extension
13 transfers to DVA.

14 And then finally, the Driver Safety
15 Rating is obviously a -- a large issue here. And I
16 would note that what MPI is proposing is a tweak to
17 the existing registered owner -- owner model, rather,
18 with new pricing that was recently filed.

19 And again, we're ready to have a
20 discussion about the implementation of this proposed
21 tweak to the DSR, and we certainly welcome all the
22 insights and critiques offered by -- by the
23 Interveners in this case.

24 Moving on to a summary of the GRA, as
25 indicated previously, this is a negative two point

1 eight (2.8) overall rate indication with the 100
2 percent break-even costs of Basic on vehicle premiums,
3 with changes only to the vehicle discounts under the
4 DSR. We will not be seeking to change the driver
5 premium discounts.

6 And then, as mentioned previously, this
7 also requires a removal of the 5 percent capital
8 release provision that was approved last year by the
9 Board. These rates are effective between April 1st,
10 2022, and March 31st, 2023, and then no other changes
11 to our certificates and permits and our transaction
12 fees and rebates and surcharges.

13 How does this look for the individuals
14 or for the average individual consumer here? The next
15 slide has the figure RM-1, which is the average rate
16 indication by major class.

17 As we can see here, there's only one
18 (1) major class that we expect would receive a
19 positive rate indication, and that being the public
20 major class. And certainly we will hear from the Taxi
21 Coalition in particular about their displeasure with
22 this, but overall, we do believe that this is a fairly
23 good news story for -- for most (AUDIO CUTS OUT)
24 receiving a rate decrease.

25 In terms of the issues list, at the

1 workshop on Monday, there was a very good discussion
2 about the issues list and -- and tweaks to be made
3 there, too. MPI supports those tweaks which include
4 adding the Extensions to DVA transfers to issue item 7
5 as a -- as a sub-issue, rather. And that's a portion
6 of the CMP.

7 Issue number 13, which relates to the
8 DSR, MPI believes that it's properly indicated as a --
9 an issue that can be dealt with in the normal course.

10 And then finally, the Rebate
11 Application, MPI supports adding that as a sub-issue
12 to Issue number 18, which is the financial impact of
13 COVID-19.

14 Turning now to the Special Rebate
15 Application, as previously mentioned, we are currently
16 estimating that the rebate will be in the
17 neighbourhood of \$155 million, which, for -- for the
18 benefit of the individuals who are not normally first
19 in -- in this type of discussion, would amount to
20 approximately a 15 percent rate reduction, overall
21 rate reduction.

22 The net impact on premiums for the next
23 insurance year would be approximately a negative 13
24 percent reduction on average, which would more than
25 offset any increase that would result from the removal

1 of the 5 percent capital release provision.

2 And therefore, we would expect that
3 customers would be receiving in the next calendar year
4 a rebate cheque for approximately a hundred and fifty
5 (150) to two hundred dollars (\$200). And of course
6 this is based solely on projections between March 31st
7 -- sorry, up to March 31st.

8 We do expect there to be additional
9 savings from March 31st to September 30th of this
10 year, and so that one fifty-five (155) number we would
11 expect to increase. Obviously, we -- we don't know
12 exactly how much that will be at this time. We have
13 some projections, and we are prepared to discuss that
14 with the -- the rebate application that we will be
15 filing in short order.

16 So, the next slide talks about the fact
17 that we will be providing a separate application for
18 that. And that is because rebates look at a different
19 time period than the GRA proper, and so we do need
20 special leave of the Board to -- to issue those
21 rebates.

22 We do expect that our rebate
23 application -- we -- we've added in there the July
24 19th, 2021, date. That's the date that we are
25 currently aiming for.

1 There are some moving parts that we do
2 have to make sure that fall into place, but we are --
3 we are committed to -- to making that date work, so
4 that is certainly the date that we are motivated to --
5 to get (AUDIO CUTS OUT).

6 Now, we appreciate that that's going to
7 -- to make things a little bit more difficult because
8 we know that this pre-hearing conference Order will be
9 issued prior to that date, but we do believe that
10 there is currently enough in the rebate application.

11 And I've identified a number of
12 different areas of the rebate application that --
13 sorry, of the GRA that the rebate application will
14 draw from that the Interveners and PUB counsel and --
15 and the consultants should have enough information to
16 be able to start asking questions prior to the filing
17 date on where we expect the rebate projections to land
18 in forecasting and -- and things (AUDIO CUTS OUT).

19 We note that in previous applications,
20 rebate applications, there have been a round of IRs.
21 We do believe that there is enough here that we can
22 hit the ground running even before the application is
23 filed and make use of -- of both rounds of IRs.

24 But certainly we do expect that the
25 application will be filed with certainly enough

1 advance notice so that parties can make use of the --
2 the other round of IRs.

3 And certainly, if there is any major
4 issues, we would certainly be prepared to accommodate
5 any further questions and -- and realize that maybe,
6 you know, more time would need to be allocated to
7 hearing this issue in the October oral hearing.

8 Moving now to the October rate update
9 rather. MPI currently expects that to be filed on
10 October 1st, 2021. And, as mentioned, we will -- our
11 projection right now is to -- to mirror the level of
12 disclosure that was directed by the Board in its Order
13 88/20 which was from last year.

14 And so, what I've done is I've
15 identified all those documents that MPI expects to be
16 updated and included with its October 1st, 2021, rate
17 update.

18 Moving on to the CSI process. The CSI
19 process we expect will mirror the processes used in
20 the two (2) -- last two (2) previous GRAs. We've
21 circulated the proposed undertaking and
22 confidentiality agreements that we would expect the
23 parties to execute and return prior to receiving
24 information.

25 We're ready to go. And we -- we can

1 hit the ground running as soon as the Order is
2 prepared by the PUB and circulated amongst the
3 Interveners.

4 We're expecting also to file our
5 omnibus CSI motion on the September 17th date, which I
6 note would be the same date that we're also asking for
7 the proceeding, the rebate proceeding, to be
8 consolidated and heard together with the GRA proper.

9 Information Requests, I have some
10 information here that just highlights the important
11 point I think you'd like to make. And that is that
12 Information Requests, we welcome them.

13 And we like the fact that Information
14 Requests are -- are also being used by the Interveners
15 and by -- and by PUB counsel and consultants, and the
16 trend is -- is going in the right direction.

17 People are using the process; they
18 understand the value of it. And it's beneficial for -
19 - for all to understand exactly what the issues are
20 from both sides and for everyone to have fair warning
21 of what to expect in terms of the evidence at the oral
22 hearing in October.

23 So, we routinely receive over three
24 hundred (300) Information Requests, and within those
25 Information Requests, over seven hundred (700)

1 specific questions in total. And that -- I -- I guess
2 that is -- is continuing to grow, which is a positive
3 thing.

4 However, if we go to the next slide,
5 please, what we don't want to see is a situation where
6 -- where Interveners have -- have not utilized the
7 Information Request procedure to its full potential
8 and then we end up devoting more time to issues at the
9 oral hearing.

10 So, for example, a good -- good example
11 to -- to model ourselves after would be the issue of -
12 - of PIPP in the last GRA. So, in that case, 13
13 percent of our Information Requests were -- were
14 tailored to that topic. And then we only saw an 8
15 percent allocation of time towards that topic at the
16 oral hearing.

17 So, what we see is that we're -- we're
18 hopefully narrowing those issues in the Information
19 Request phase. And then we don't have as much of a
20 need to talk about that at the oral hearing because,
21 you know, hopefully, we've -- we've adequately
22 responded to those comments -- or questions.

23 The example that we'd like to avoid as
24 much as possible is -- is set out in the example of
25 the DSR from last year. We received only 2 percent of

1 our total IRs devoted to that issue, but more than 12
2 percent of the oral hearing was devoted to that time.

3 And so, that would suggest to us that,
4 you know, perhaps, you know, that issue wasn't
5 scrutinized enough in the -- in the Information
6 Request phase and we would encourage everyone to -- to
7 look at ways to -- to (AUDIO CUTS OUT) issue is that
8 important that it's -- it's focussed on early on and
9 not -- not just left to a detailed discussion at the
10 oral hearing.

11 MR. STEVE SCARFONE: And on that point
12 -- sorry to interrupt, Mr. Guerra.

13 On that point, Madam Chair, so what
14 we'd like to -- to do is -- is the Information
15 Requests provide MPIC and its business units a real
16 opportunity to provide a more fulsome answer, as you
17 might expect, than kind of on the fly at the Hearing
18 when someone's under, you know, cross-examination.

19 And so, the reason that Mr. Guerra is
20 emphasizing making good use of -- of the Information
21 Request process is -- is because of that. You're
22 going to get better evidence from MPIC than you would
23 at the Hearing if -- if you were weighing the two (2)
24 options.

25 MR. ANTHONY GUERRA: Thank you, Mr.

1 Scarfone.

2 Next is the Intervener applications.

3 And I understand that there are three (3) this year,
4 from the Consumers' Association of Canada, Manitoba
5 branch, the CAC, the CMMG, the Coalition of Manitoba
6 Motorcycle Groups, and the Taxi Coalition.

7 MPI does not object to the first two
8 (2) applications, namely, the CAC and the CMMG. We
9 are taking no position with respect to the Intervener
10 status of the Taxi Coalition.

11 And, in particular, I'd just like to
12 address a couple of comments that speak to the issue
13 of -- of costs. And -- and last year, we had a
14 discussion about whether or not costs were appropriate
15 to discuss at this stage.

16 And I -- and I appreciate that we don't
17 have -- we don't have budgets from two (2) of our
18 three (3) prospective Interveners. And so, the
19 question that you might ask is -- is, is it
20 appropriate (AUDIO CUTS OUT).

21 And so last year, the conversation was
22 with regards to the prospective budgets of the Taxi
23 Coalition and -- and IBAM, who was, at that time,
24 planning on intervening but -- but did not ultimately
25 get the chance to do so.

1 And so, there was discussion that we
2 had about, you know, whether or not it was important
3 to -- to highlight certain issues around costs at this
4 stage.

5 And so, I raised the issue with respect
6 to those costs. And I mentioned, with respect to the
7 Taxi Coalition, MPI does not object to its request for
8 Intervener status, but there are some issues with
9 respect to costs, and the cost requests are estimate.

10 We see this as an opportune time to
11 have a discussion about the -- what the intervention
12 will look like. Interveners who are applying for
13 Intervener status ought to know that it's not
14 necessarily guaranteed that they will be able to
15 recover their costs.

16 And MPI would suggest, like the Taxi
17 Coalition, that IBAM is a party that represents the
18 sole business interests and, therefore, should not be
19 entitled to that funding.

20 And so, the response -- then we
21 continued by saying that, ultimately, we did oppose
22 the cost of the Taxi Coalition application and
23 highlighted again that their intervention, in our
24 view, mainly advocated its own business interests and
25 that the Taxi Coalition advocate for better financial

1 incentives for its members and higher rates for its
2 competitors and that many of these objectives simply
3 beyond the goals of increasing profitability of
4 taxicab class and increasing the expenses of its
5 competitors.

6 So, notwithstanding the comments raised
7 at the pre-hearing conference last year and, again, in
8 opposition to the Taxi Coalition application, we do
9 note that the -- the PUB order, in this case, Order
10 18/21, did specifically note that MPI did not oppose
11 the Taxi Coalition's application for intervention,
12 which included an statement that it intended to seek
13 an order for costs.

14 And so, we -- we were concerned by that
15 because we did feel that we did provide clear advance
16 notice to all the parties that we were not going to be
17 consenting to -- to costs, and certainly that we -- we
18 did not see our position on a particular application
19 as -- as almost consenting to or acquiescing to any --
20 any request for costs.

21 And so, what I would do is just ask Mr.
22 -- Ms. Schubert, if you can go to the next slide,
23 please.

24 And so, we do think it's important to
25 have -- even just at -- a high level discussion about

1 costs at the pre-hearing conference stage.

2 And just to mention that MPI does not -
3 - even if MPI does not oppose the Intervener
4 application of any particular prospective Intervener,
5 it must not be taken to mean that MPI necessarily
6 agrees that that Intervener is entitled to their costs
7 or to the costs that are associated with their
8 proposed budget.

9 In the case of the Taxi Coalition this
10 year, we are taking no position to its Intervener
11 application. But we do not necessarily agree that it
12 should be entitled to any costs, especially if its
13 Intervention does not ultimately extend behind --
14 beyond, rather, advancing its own business interests.

15 And so, that's something we can only
16 really say after we've had the experience -- the
17 Information Requests, as well as through the oral
18 Hearing.

19 So notwithstanding the position that
20 we've taken on any prospective Intervener -- that
21 includes the CAC and CMMG -- we wish to reserve the
22 right to challenge the entitlement of any Interveners
23 to their costs and we would remind the Interveners
24 that they should not expect that they will be entitled
25 to costs simply by virtue of their Intervention.

1 And so, what I would note here are just
2 a couple of concerning things that we've seen so far.
3 And I'd repeat that we have not seen the estimates yet
4 from the Taxi Coalition or the CMMG, and so we can't
5 comment on those.

6 But what we have seen from the CAC
7 right now is that they are budgeting for consultant
8 fees to significantly increase; 138 percent over what
9 was budgeted and approved in the 2020 GRA, and 173
10 percent over what was budgeted and approved in the
11 2021 GRA.

12 We see four (4) actuarial consultants
13 proposed between the three (3) prospective
14 Interveners. And I would note that MPI, at this
15 point, has none.

16 So what I would say, again, is just
17 that we need to make sure that -- that costs are
18 always a consideration of the parties and from very
19 early on.

20 And so, if -- if it turns out that four
21 (4) consultants was -- was far too much for three (3)
22 prospective Interveners, given the issues in dispute
23 or challenged in this GRA, then, certainly, MPI would
24 take issue with cost recovery for those consultants.

25 And so, this is simply just to make

1 sure that everyone is understanding that MPI will
2 continue to scrutinize, throughout this process, the
3 costs being claimed by Interveners. And it may,
4 certainly, object in the future, as it has done in the
5 past.

6

7 (BRIEF PAUSE)

8

9 MR. STEVE SCARFONE: Again, sorry to
10 interrupt, Mr. Guerra.

11 Perhaps just before we move away from
12 the Intervener applications, for the benefit of the
13 Board, Madam Chair and I alluded to it earlier,
14 there's certainly nothing that I'm going to ask Mr.
15 Johnston to say here now that isn't already before the
16 Board and that's in the application.

17 But as it concerns the Taxi Coalition,
18 as Mr. Guerra indicated, and, you know, I see Mr.
19 Hacault sitting there, and, you know, I'm not -- he
20 didn't -- or sorry, MPIC is neither opposed nor
21 consenting to the Taxi Coalition.

22 And so, that's what we mean by "taking
23 no position." We'll leave that decision in the hands
24 of the Board.

25 But just a couple comments that we'd

1 like the Board to consider when -- when deciding upon
2 that.

3 One, the Board is aware that there's an
4 ongoing discussion with the Taxi Coalition, a new
5 framework that's being developed for the taxis. And
6 we'd -- we'd ask the Board to consider what's in the
7 Taxi Coalition application that they're seeking from
8 this Board that they can't get from MPIC in those
9 offline discussions concerning the new framework.

10 And the second point I want to ask the
11 Board to consider is the issue of the loss ratios for
12 the Vehicle for Hire and that major class. And you'll
13 recall, from last year, that there was a 20 percent
14 increase in those rates to adjust for the loss ratios.

15 And so, I would ask Mr. Johnston, if --
16 if the Board is so inclined, just to provide the Board
17 with an update on that particular issue. And it is
18 before the Board in the application.

19

20 (BRIEF PAUSE)

21

22 THE BOARD CHAIR: You know, Mr.
23 Scarfone, this is the problem I have. You know, and
24 it's -- it's an issue that comes up every year when
25 MPI decides to put in an overview of its case. And

1 then, wants to deal with evidence that is going to
2 come as part of its case.

3 I just don't think it's appropriate now
4 to effectively hear evidence that is going to become
5 part of the case as sworn evidence.

6 Your -- your comment in relation to
7 you're having -- you're having discussions -- or MPI's
8 having discussions, you know, that's fine. But that's
9 evidence. And then, do we go into what the nature of
10 those discussions are or where they are or anything
11 like that.

12 And just speaking on behalf of myself,
13 I just don't think it's appropriate. This isn't an
14 evidentiary phase of the Hearing. You know, we're
15 always stuck in this position that MPI gives an
16 overview, which is sort of, you know, a concise
17 overview of what will come in the Hearing. But this
18 isn't the evidentiary phase.

19 And that's the problem I have in that
20 request, and, quite frankly, notwithstanding I'd love
21 to hear from Mr. Johnston, he can't give evidence
22 today.

23 MR. STEVE SCARFONE: And --

24 THE BOARD CHAIR: I mean, quite
25 frankly, he's not sworn in.

1 MR. STEVE SCARFONE: Absolutely not.

2 THE BOARD CHAIR: There was no notice
3 that there would be evidence put forward. And
4 anything he says today we should not be considering as
5 part of evidence.

6 So I think I -- there's a really
7 problem in proceeding in that manner.

8 MR. STEVE SCARFONE: So let me respond
9 to that, if -- if I may, Mr. Gabor.

10 The only reason that MPIC is suggesting
11 that is -- is for the benefit of the Board because, as
12 Mr. Guerra indicated, MPIC takes no position with the
13 Taxi Coalition Intervention Application.

14 So you may -- the Board may be sitting
15 there, wondering, Okay, well, what do we do? Right?
16 You've read their application and you've read our
17 application. And so, that is presumably the two (2)
18 applications that you would weigh in deciding that.

19 And so, I thought that it might be of
20 some benefit to have the Board hear on -- on two (2)
21 of the important issues to help the Board decide on
22 that.

23 But if -- if the Board is satisfied
24 that they can make that decision without hearing
25 representations from MPIC on that point, then that's -

1 - that's fine.

2 I'm certainly not asking that Mr.
3 Johnston take an oath and give evidence. I appreciate
4 those comments.

5 THE BOARD CHAIR: Well, no. But I
6 mean, you raised it now. You want to make
7 representations. That's not the intention of this
8 part of the -- the process because representations are
9 positions taken on evidence.

10 What the Panel has before it is you
11 don't object, you want to reserve the right to object
12 to costs. We understand that.

13 But starting to get into the nature of
14 the relationship or what's happened or something like
15 that is evidence. And it's just not an appropriate
16 issue to deal with at pre-hearing conference.

17 Pre-hearing conference is intended to
18 deal with procedural matters that will -- will arise
19 during, you know -- that will come up during the
20 Hearing.

21 So, I mean, I -- I just think there's a
22 real problem in -- in him making statements -- I mean,
23 if he makes statements, rightfully, we shouldn't be
24 considering any of that. We have, on the record, the
25 position -- the application. We have your -- MPI's

1 position in terms of taking no position, but reserving
2 the right to deal with the issue of costs.

3 But beyond that, I don't think we can
4 properly consider anything else on those matters. I
5 mean, I'll leave it to the others.

6 THE CHAIRPERSON: Mr. Watson, do you
7 have any comments on that?

8 MR. EDUARD HIEBERT (by Phone): Excuse
9 me, Madam Chair. This is Eduard Hiebert calling -- or
10 talking -- speaking.

11 And the notice was very clearly given
12 that Interveners should be presenting themselves to
13 the Board by -- by today -- the 9:00. I have done so
14 and -- and somehow all of these proceedings are -- are
15 skipping me.

16 I -- and as you're dealing with the
17 Intervener question, I -- I seriously do think that --
18 that part needs to be caught up and -- and corrected.
19 Because I clearly have applied -- quite properly,
20 according to the notice -- within the time frame.

21 So I don't want to interrupt the
22 proceedings at this point, but I -- I certainly want
23 to make my point known that I am applying for
24 Intervener, according to the notice that was provided
25 to me.

1 THE CHAIRPERSON: Ms. McCandless...?

2 MS. KATHLEEN MCCANDLESS: Yes. Mr.

3 Hiebert, it's Board counsel. What I might suggest is

4 that -- the mid-morning break is coming up very soon.

5 We will have something to say to you on the record

6 after the break.

7 But I do understand that Board staff

8 have communicated with you over email this morning

9 about procedure. So --

10 MR. EDUARD HIEBERT (by Phone): Excuse

11 me. The proceeding is very clearly being given notice

12 that Interveners may have the opportunity to -- to do

13 the request until prior to today's pre-hearing.

14 I have done so. The -- the secretary

15 Board and the Hearing assistant both made responses

16 within that -- in that case. And for you people to

17 have made your own in camera decision beforehand,

18 without even hearing me, I think is inappropriate.

19 So let's not just leave this as -- as a

20 sense where you end up making these kind of decisions

21 and not hear from me.

22 MS. KATHLEEN MCCANDLESS: So, Mr.

23 Hiebert, what -- what I was simply saying is that

24 we're not going to speak to this issue right now,

25 because we're in the middle of MPI's submissions to

1 the Panel.

2 But we are taking a break shortly and
3 you will -- you will have a response after the break.

4 MR. EDUARD HIEBERT (by Phone): Here I
5 --

6 MS. KATHLEEN MCCANDLESS: Thank you.

7 MR. EDUARD HIEBERT (by Phone): I
8 appreciate what you said now, however, before you
9 ended up saying you would only be giving me a response
10 as opposed to even hearing me.

11 And if you're not willing to say that I
12 will be -- I will be able to be heard on the record, I
13 appreciate that, not -- not simply -- I don't think
14 that an in camera discussion is appropriate.

15 THE CHAIRPERSON: Mr. Hiebert, we will
16 have that discussion following the break as indicated
17 by Board Counsel. We will now continue with MPI's
18 presentation. Mr. Guerra...?

19 MR. EDUARD HIEBERT (by Phone): Thank
20 you for that undertaking.

21 MR. ANTHONY GUERRA: Thank you, Madam
22 Chair. And certainly, I -- I was not aware of Mr.
23 Hiebert's participation or -- or intent to participate
24 this morning.

25 Certainly, if -- if that's -- if -- if

1 there's going to be any representations made by Mr.
2 Hiebert and his seeking of Intervener status, we would
3 like to be able to review his application and -- and
4 comment on that prior -- prior to closing our -- our
5 submissions this morning.

6 However, in the meantime though, I do
7 want to talk about the issue of expert pre-
8 qualification. MPI does not anticipate calling the
9 expert witnesses at this point, and so we do not seek
10 any pre-qualification.

11 We understand that's the same, and I
12 certainly don't want to speak for them, but for the
13 CAC and the CMMG. For the Taxicab Coalition, we do
14 note that there were four (4) identified.

15 For Mr. Crozier, no issues. I just
16 understand that he was qualified last year as an
17 expert in regulated auto insurance generally. And if
18 that's the qualification that they would ask be
19 designated to him as well this year, then we certainly
20 have no issue with that.

21 As well as Mr. Bowman who was qualified
22 last year as an expert in application of regulatory
23 principles and concepts appropriate for regulated
24 Crown utilities, past revenue requirements, cost
25 allocation principle, (AUDIO CUTS OUT) that's the

1 (AUDIO CUTS OUT), described to Mr. Bowman, (AUDIO CUTS
2 OUT) as well. Sylvain Dion, I don't have a pre-
3 qualified area for him, so we would have no objection,
4 subject just to making sure that -- that area is
5 properly articulated. And the same thing with Mr.
6 Jason Wong as well.

7 The proposed timetable has been
8 circulated and I understand it's marked as an exhibit
9 as well.

10 Just a few points to note for the
11 consideration of the parties, there are ample days, we
12 believe, in between the Round 1 and Round 2 Request
13 phases. So, hopefully the parties will -- will make
14 use of those. And we note that -- that there are
15 avenues for additional evidence to be filed by the
16 Interveners and by MPI, and for motions to be made in
17 response to the Information Request rounds, as well as
18 the omnibus CSI motion in September.

19 We are anticipating a hearing between
20 October 12, 2012 and October 29th, 2021, which is
21 approximately fourteen (14) business days. Certainly
22 we -- we are -- are of the belief that that should be
23 sufficient time for the parties to advance all of the
24 issues that are in this application.

25 So again, subject to those comments

1 that I had mentioned previously, those are our
2 submissions.

3 THE CHAIRPERSON: Thank you, Mr.
4 Guerra. Any questions?

5 THE BOARD CHAIR: Mr. Guerra, can you
6 indicate who will be putting in the actuarial evidence
7 for MPI?

8 MR. ANTHONY GUERRA: That is a good
9 question, Mr. Gabor. At this present time we expect
10 that that's going to be handled by a number of
11 individuals, includes Mr. Giesbrecht, our VP -- or
12 CFO, as well as Tye Fo (phonetic). Tye Fo as well.
13 And so there may be some others as well. It's going
14 to be a collaborative effort, but we will do our best
15 to make sure that we have the appropriate individuals.

16 THE CHAIRPERSON: Thank you, Mr.
17 Guerra. We will take a break now. Can we resume,
18 please, at twenty-five (25) to 11:00? Thank you.

19

20 --- Upon recessing at 10:25 a.m.

21 --- Upon resuming at 10:47 a.m.

22

23 THE CHAIRPERSON: Thank you, everyone.
24 We'll proceed now. Ms. McCandless...?

25 MS. KATHLEEN MCCANDLESS: Thank you,

1 Madam Chair.

2 Mr. Hiebert, just to speak to the issue
3 you raised this morning, I want to give you some -- a
4 bit of a road -- roadmap into how we can deal with the
5 -- your late notice, or your -- your recent notice of
6 your intention to apply for Intervener status.

7 So, as I understand it --

8 MR. EDUARD HIEBERT (by Phone): Excuse
9 me, when you say "late," that's pejorative. It -- it
10 really says that the application could be as late as -
11 - as this morning, which I have clearly followed,
12 (AUDIO CUTS OUT).

13 The line is very funny. There's
14 something happening with the line. How can -- there's
15 a lot of static now. How can we correct that?

16 MS. KATHLEEN MCCANDLESS: I -- I don't
17 know. Perhaps you could just let me finish my
18 comments, and I apologize for using the word "late."
19 I -- I did also say "recent," and that's likely more
20 appropriate.

21 So, as I understand it you had emailed
22 the Board about 7:30 this morning of your intention to
23 apply for Intervener status. Now, if a prospective
24 Intervener wants to be considered by the Board, there
25 is certain paperwork that needs to get filed and that

1 certainly can be provided to you.

2 The issue is that with this filing,
3 there's no information available to MPI as to the --
4 the reason for your intervention. MPI needs an
5 opportunity to consider that and prepare its response,
6 if any.

7 So, although all the other prospective
8 Interveners did file by the deadline that was posted
9 on the Board's website of July 7th, certainly if you
10 want to apply at this stage what you would need to do
11 is file the appropriate paperwork as soon as possible
12 and then the Board will forward it to MPI and consider
13 it.

14 But MPI is entitled to an opportunity
15 to respond and understand the reasons for your
16 intervention.

17 MR. EDUARD HIEBERT (by Phone): Oh,
18 that's absolutely acceptable as far as that they should
19 know, but however, I -- I wish to underline as has
20 been stated in spades in this proceeding, this
21 proceeding is about to go ahead and -- and deal with
22 these kinds of things. It has always been done that
23 way in the past.

24 And -- and the Board is al -- is also
25 clearly aware that I wanted -- I did try and access

1 the Board website. My system is telling me there's
2 something horrendously problematic with your website.

3 So -- and -- and anyhow, I appreciate
4 now -- you've now taken a -- a bit of a further
5 variation to what was said before and -- and we can go
6 through that process. Much appreciated. Thank you.

7 THE CHAIRPERSON: Mr. Hiebert, this is
8 the Chair of this Panel. In order to facilitate that,
9 we will have that application emailed to you so that
10 there will be no requirement for you to try and obtain
11 it from the website.

12 It will go out to you immediately, and
13 -- in five (5) minutes, Mr. Christle is indicating.
14 And we would require it to be returned -- completed
15 and returned by the end of business on Monday.

16 MR. EDUARD HIEBERT (by Phone): Thank
17 you.

18 THE CHAIRPERSON: Thank you.

19 We will now proceed with the opening
20 comments of the Interveners who have submitted
21 applications. I would ask that each of you please
22 include in your opening comments your submissions with
23 regard to the subject areas that were referred to in
24 my opening comments. Ms. Dilay...?

25

1 OPENING COMMENTS BY CAC (MANITOBA)

2 MS. KATRINE DILAY (by Teams): Good
3 morning, Madam Chair. And I think you should be able
4 to see me via video conference --

5 THE CHAIRPERSON: Yes.

6 MS. KATRINE DILAY (by Teams): -- in a
7 moment or so. So, thank you for having me this
8 morning. Good morning, Board Members, all those in
9 the hearing room, and those listening on the live
10 stream.

11 As I previously mentioned, my name is
12 Katrine Dilay, from the Public Interest Law Centre,
13 and we represent the Manitoba Branch of the Consumer's
14 Association of Canada in this proceeding.

15 CAC (Manitoba)'s Executive Director,
16 Ms. Gloria Desorcy is also attending via
17 teleconference.

18 I'd like to start by entering as
19 exhibits, the application to intervene of CAC
20 (Manitoba). They are already posted on the PUB
21 website. As Exhibit CAC-1-0 would be CAC's Intervener
22 Application dated July 7th, 2021.

23

24 --- EXHIBIT NO. CAC-1-0: CAC's Intervener

25 Application dated July

1 7th, 2021.

2

3 MS. KATRINE DILAY (by Teams): As
4 exhibit CAC-1-1, CAC Intervener Application attachment
5 A.

6

7 --- EXHIBIT NO. CAC-1-1: CAC Intervener Application
8 attachment A.

9

10 MS. KATRINE DILAY (by Teams): As CAC-
11 1-2, CAC Intervener Application, attachment B.

12

13 --- EXHIBIT NO. CAC-1-2: CAC Intervener
14 Application, attachment B.

15

16 MS. KATRINE DILAY (by Teams): As CAC-
17 1-3, CAC Intervener Application, attachment C, Part 1.

18

19 --- EXHIBIT NO. CAC-1-3 PART 1: CAC Intervener
20 Application, attachment C,
21 Part 1.

22

23 MS. KATRINE DILAY (by Teams): And as
24 CAC Exhibit 1-4, the attachment C, part 2.

25

1 --- EXHIBIT NO. CAC-1-4 Part 2: CAC Intervener
2 Application, attachment C,
3 Part 2.
4

5 MS. KATRINE DILAY (by Teams): And
6 finally, CAC Exhibit-1-5, CAC Intervener Application,
7 the resumes of the proposed consultants.
8

9 --- EXHIBIT NO. CAC-1-5: CAC Intervener
10 Application, resumes of
11 the proposed consultants
12

13 MS. KATRINE DILAY (by Teams): In our
14 opening comments today we intend to address the five
15 (5) areas that Madam Chair and Ms. McCandless
16 indicated, but we'll -- we'll flip the order of two
17 (2) of the items.

18 So, we'll talk first about who is the
19 Manitoba Branch of the Consumer's Associate --
20 Association of Canada, pardon me. And I'll refer to
21 our clients as CAC (Manitoba).

22 Then we'll talk about the reasons for
23 the proposed intervention, the key areas of interest,
24 whether we intend to present evidence at the hearing,
25 and finally, whether we intend to seek award of costs.

1 So, to start with, as we all know,
2 along with the rest of our country and most of the
3 world, Manitobans have experience unprecedented change
4 as it relates to our lifestyle and our economy since
5 March of 2020, when the first case -- case, pardon me,
6 of COVID-19 was confirmed in our province.

7 While the third wave of the pandemic
8 does show signs of receding, things are certainly not
9 back to how they were pre-pandemic. And it is unclear
10 what the new normal will look like, including whether
11 or not Manitobans will return to their old habit of
12 commuting to work. And I think this morning's
13 proceedings certainly is an example of that.

14 As it relates to MPI specifically, we
15 know that the pandemic has had significant eff --
16 effects in terms of reduced collision costs due to us
17 drivers commuting to work, and a resulting
18 accumulation of excess capital.

19 The COVID-19 pandemic has raised
20 important questions about how to return that excess
21 capital to Manitoba ratepayers fairly and on a timely
22 basis while recognizing the process that was approved
23 and contemplated in MPI's Capital Management Plan, and
24 the economic hardship that is faced by many
25 Manitobans.

1 To go into who is CAC (Manitoba), we've
2 included that in our attachment A to our application
3 to intervene. And Kristen, if you would be able to
4 pull that up, I don't intend to read from that
5 document, but just to give you a bit of an overview,
6 and pages 3 to 4 of attachment A will provide you with
7 that overview.

8 CAC (Manitoba) is a volunteer non-
9 profit independent organization that works to inform
10 and empower consumers and to represent the consumer
11 interest in Manitoba. It is governed by a volunteer
12 board of directors elected annually at a general
13 meeting of the membership.

14 And CAC (Manitoba) is a branch of the
15 National Consumer's Association of Canada, but it's
16 financially separate and separately incorporated. CAC
17 (Manitoba)'s policy is guided by its understanding of
18 generally accepted consumer rights.

19 And we've listed those in attachment A
20 to our application to intervene so they will be there
21 for your reference. The reasons for CAC (Manitoba)'s
22 proposed intervention are found starting at page 5 of
23 attachment A, pardon me.

24 CAC (Manitoba) aims to protect and
25 reconcile the interests of all Manitoba Public

1 Insurance consumers with a particular emphasis on
2 member of the -- the private passenger class.

3 MPI ratepayers are directly affected by
4 the Board's decision in this matter, both relating to
5 the overall rate for 2022/23, which is the test year,
6 and the proposed rate rebate, as well as other issues
7 which will have a long-term impact on automobile
8 insurance rates in Manitoba, such as the Driver Safety
9 Rating -- Driver's Safety Rating Model, the Capital
10 Management Plan, and Project Nova risks and
11 opportunities.

12 No other Intervener or group actively
13 participating in this proceeding represents the
14 private passenger class, but CAC (Manitoba) does
15 intend to actively collaborate with all other
16 Interveners on areas of common interests.

17 It's worth mentioning that for CAC
18 (Manitoba) bringing the voice of consumers directly to
19 the Public Utilities Board is of primary importance in
20 the independent rate setting process. Our clients
21 place a priority on direct consumer input through
22 focus groups, engagement sessions, and stakeholder
23 panels.

24 As this Board will be aware, CAC
25 (Manitoba) has significant experience with regulatory

1 matters. Over the past thirty (30) years, CAC
2 (Manitoba) has been active in rate regulation matters
3 relating to Manitoba Public Insurance, Manitoba Hydro,
4 Centra Gas, Government cheque cashing and payday
5 lending rates.

6 And, in addition, the organization has
7 extensive and intersecting regulatory experience at
8 the Canadian Radio Television and Telecommunications
9 Commission, known as the CRTC, as well as the Manitoba
10 Clean Environment Commission.

11 Specifically as it relates to MPI, over
12 the past thirty (30) years, CAC (Manitoba) has been
13 particularly engaged in regulatory matters, including
14 every General Rate Application and technical
15 conference, as well as the Driver's Safety Rating
16 proceeding.

17 In terms of the key issues that CAC
18 (Manitoba) intends to focus on in this Hearing, we
19 have listed them in the overview of Attachment A. So,
20 that'll be found on page -- on the first couple of
21 pages. But, Kristen, I'll ask you to go to pages 8 to
22 9 where they are summarized.

23 First, we just want to emphasize that
24 the intervention of CAC (Manitoba) in this proceeding
25 will be guided by the Public Utilities Board's

1 criteria for their consideration of just and
2 reasonable rates.

3 Among the specific issues that CAC
4 (Manitoba) will -- will canvass in the current General
5 Rate Application are whether the proposed 2.8 percent
6 overall rate decrease is just and reasonable in light
7 of the current financial circumstances of MPI, as well
8 as its medium and longer term risks.

9 We also intend to look at whether the
10 proposed removal of the 5 percent capital release
11 provision previously approved by the Board in the 2021
12 GRA and the anticipated third Special Rebate
13 Application are appropriate.

14 A second key issue is the
15 appropriateness of and the compliance with the Capital
16 Management Plan. This is in light of the two (2)
17 exemptions that were granted through the first and the
18 second Special Rebate Applications, as well as the
19 anticipated third Special Rebate Application combined
20 with the proposed removal of the 5 percent capital
21 release provision and MPI's self -- self-proclaimed
22 discretion to transfer capital out of Extension to
23 driver and vehicle administration.

24 CAC (Manitoba) will also examine the
25 implications of COVID-19, both operational and

1 financial, on the short-term and longer-term
2 circumstances of MPI, including the implications on
3 rates, claims incurred forecast, and the Capital
4 Management Plan.

5 Risks and opportunities for Manitoba
6 ratepayers with regard to Project Nova will be another
7 area of focus, especially in light of the budget
8 increase and the business case which now forecasts the
9 net present value to be positive over a period of
10 fifteen (15) years.

11 CAC (Manitoba) also intends to focus on
12 whether MPI's proposal relating to the Driver's Safety
13 Rating model is just and reasonable or whether there
14 are other options that would better reflect the risk
15 that drivers bring to the system.

16 We'll also look at the equity and
17 fairness of the allocation of the overall rate
18 decrease of 2.8 percent to vehicle discounts --
19 discount levels and the actuarial soundness of this
20 proposal. Issues relating to territories and use will
21 also be examined.

22 Other issues that CAC (Manitoba)
23 intends to examine include ratemaking and actuarial
24 assumptions, benchmarking, investment forecast, and
25 capital project funding.

1 At the current time, CAC (Manitoba)
2 does not anticipate calling a witness or filing
3 evidence. However, we would reserve the right to seek
4 permission to provide expert evidence after our review
5 of the First Round of Information Requests. And we
6 would seek further direction from the Board regarding
7 qualification of witnesses if -- if that is the case.

8 CAC (Manitoba)'s team of expert
9 analysts is summarized on page 9. It includes Mr.
10 Peter Dyck, former MPI controller and regulatory
11 accountant, Mr. Jeff Crozier, former MPI head of
12 regulatory affairs and regulatory economist, Mr.
13 Valter Viola, investment consultant, and Ms. Paula
14 Elliott and Mr. Rajesh Sahasrabuddhe, both actuarial
15 consultants with the firm Oliver Wyman.

16 The expert team supporting PILC is
17 engaged in active discussions on how to efficiently
18 coordinate their respective roles while minimizing
19 costs and duplication.

20 You will note that Ms. Andrea Sherry is
21 included in CAC (Manitoba)'s application and cost
22 estimate because she was retained as a consultant to
23 assist CAC (Manitoba) with its participation in the
24 technical conference on Vehicles for Hire which took
25 place on April 20th of 2021.

1 Ms. Sherry will not be assisting CAC
2 (Manitoba) for the purposes of the GRA, so the hours
3 we've included for her are limited to the technical
4 conference.

5 We don't need to go there at this time,
6 but I'll just note that Attachment B to our
7 application to intervene provides further information
8 about our team of consultants, including their areas
9 of expertise, their years of experience, et cetera.

10 CAC (Manitoba)'s responses to questions
11 with respect to costs starts on page 10 of Attachment
12 A to our application to intervene. CAC (Manitoba)
13 does intend to request an award for costs for its
14 participation in the 2022/23 MPI GRA.

15 We don't need to go there, but we have
16 filed our cost estimate for this proceeding in
17 Attachment C, parts 1 and 2, to our application to
18 intervene. We can definitely go there if there are
19 specific questions, but I don't intend to go through
20 that at this time.

21 I just want to note in terms of
22 collaboration with other Interveners, CAC (Manitoba)
23 will participate in this Hearing in a reasonable
24 manner and will cooperate with other Interveners who -
25 - who have common objectives.

1 We will make reasonable efforts to
2 ensure that our participation is not unduly repetitive
3 of other Interveners. And, of course, we will limit
4 our intervention to those issues that are raised in
5 the application and approved in the PUB's procedural
6 order following this pre-hearing conference.

7 Specifically, CAC (Manitoba) has
8 already had discussions with other prospective
9 Interveners.

10 And of note is that there are at least
11 four (4) areas of shared interest that have been
12 identified with the Coalition of Manitoba Motorcycle
13 Groups, CMMG; however, the focus of our examination
14 and ultimate positions may not be aligned.

15 While we have had discussions regarding
16 consultants, it has been determined that jointly
17 retaining an actuarial consultant would not be in the
18 best interest of our respective clients.

19 However, we -- we have already
20 discussed that counsel will be meeting regularly to
21 reduce duplication and to align efforts relating to
22 Information Requests and cross-examination.

23 Regarding our other consultants, it is
24 CAC (Manitoba)'s understanding that Mr. Crozier is
25 also assisting representatives of two (2) -- two (2)

1 other Interveners which we anticipate will result in
2 efficiencies in Mr. Crozier's time and budget.

3 And it's also expected that Mr. Dyck
4 and Mr. Viola will be made available to other
5 Interveners where possible.

6 And just a few additional notes on our
7 budget estimate, to provide further explanation, we
8 have provided an estimate for legal counsel based on
9 Mr. Byron Williams' time because this is currently our
10 best estimate considering that he's had a lot of
11 experience on MPI proceedings for a number of year --
12 years. It is expected, however, that junior legal
13 counsel, myself and another colleague, will take the
14 lead on this file.

15 So, as a result, we expect that hours
16 may be higher than the numbers of hours indicated in
17 our application to intervene, but the hourly rate for
18 junior counsel are considerably lower, so CAC
19 (Manitoba) does expect to remain within budget, which
20 is consistent with the budget from past proceedings.

21 To ensure efficiency and minimize
22 duplication, the experts of CAC (Manitoba) will be
23 assigned lead responsibility for different aspects of
24 the application and will work in coordination with the
25 Public Interest Law Centre legal team.

1 In terms of other cost efficiencies, we
2 expect that Mr. Crozier will be assisted by colleagues
3 to increase efficiencies and reduce the overall
4 budget. And we'll note that Mr. Viola's estimate is
5 lower than past years because we've really limited his
6 focus to specific issues within the investment
7 section.

8 Regarding our actuarial consultants,
9 they will be new to our clients this year; Ms. Elliott
10 and Mr. Sahasrabuddhe. We initially asked them for an
11 estimate relating to ten (10) different areas of
12 analysis that we thought were -- were of importance in
13 MPI's application this year. And this resulted in --
14 in a budget that they gave us.

15 Based on that budget, we've reviewed
16 and we took away four (4) areas, so we've really asked
17 them -- or we are planning to ask them to focus on six
18 (6) priority issues, which have resulted in a lower
19 budget estimate than initially.

20 We'll note that the estimate, however,
21 does remain higher than for previous actual --
22 actuarial consultants because the issues of importance
23 in this Hearing are completely within their -- or are
24 very much within the scope of the actuarial
25 consultants, specifically Driver Safety Rating, issues

1 relating to the Capital Management Plan, as well as
2 the impacts of COVID-19 on the current year as well as
3 going forward.

4 And we'll also note that they do have a
5 higher hourly rate than the -- than the PUB tariff.
6 And so, we will be requesting that.

7 The hourly rate that we have presented
8 is a blended rate. And this takes into account that
9 Ms. Elliott and Mr. Sahasrabuddhe -- who are the
10 primary consultants -- will be assisted by more junior
11 colleagues to reduce the overall budget.

12 We, of course, heard the comments of
13 MPI regarding Intervener cost estimates and,
14 specifically, CAC (Manitoba)'s consultant costs.

15 I'm happy to provide some comments --
16 some additional comments on that today, but I'm also
17 mindful of the Board's previous comments indicating
18 that, of course, they do not make a decision on costs
19 at the pre-hearing conference. So I'm also happy to
20 just provide further comments in writing before the
21 deadline for the Interveners' detailed cost estimates.
22 Of course, if CAC Manitoba is granted Intervener
23 status.

24 Finally, on behalf of our clients, CAC
25 (Manitoba), and also on behalf of myself and the

1 Public Interest Law Centre, I just wanted to wish Mr.
2 Johnston the very best in his future career
3 endeavours. And, of course, in his personal life as
4 well.

5 I speak on behalf of myself, Mr.
6 Williams, and Ms. Desorcy when I say we have very much
7 appreciated his candour on the stand and his
8 willingness to listen, understand, and address
9 questions and concerns of other parties, including our
10 clients.

11 It is so clear to us that Mr. Johnston
12 believes in and cares about what he does. And from
13 our perspective, that is so important in the work we
14 do and to this regulatory process as a whole, which
15 impacts so many Manitobans on a day-to-day basis.

16 So thank you, Mr. Johnston, and we wish
17 you all the best.

18 I believe I've addressed all the areas
19 that Ms. McCandless had requested for opening
20 comments. But I'm also happy to answer any questions
21 that were on the agenda as well, or to keep those for
22 as we move forward through the agenda. So please let
23 me know if I have missed anything.

24 Subject to any questions, those are our
25 opening comments.

1 THE CHAIRPERSON: Thank you, Ms.

2 Dilay. Mr. Gabor...?

3 THE BOARD CHAIR: Ms. Dilay, just a
4 couple of questions. You have two (2) actuaries from
5 Oliver Heimann.

6 Can you indicate why you have two (2)
7 actuaries and, if they have different
8 responsibilities, what their different
9 responsibilities would be?

10 MS. KATRINE DILAY (by Teams): Right.
11 So our understanding is that they -- they typically
12 work in a team. So they've -- in the estimate that
13 they've given us, they've essentially, sort of,
14 blended their responsibilities. But they do expect to
15 be more efficient working as a team, given their
16 various -- their differing areas of expertise.

17 So we do expect that they won't
18 necessarily be assigned separate issues. But they
19 will bring their different perspectives and expertise.

20 Ms. Elliott is slightly more senior
21 than Mr. Sahasrabuddhe so -- and then they are also
22 working with, I believe, an analyst and a couple
23 junior colleagues, who will assist them in reducing
24 their overall costs.

25 THE BOARD CHAIR: Okay. The second

1 one, you pointed out to Mr. Crozier. We've got a
2 situation where we have a number of consultants
3 providing services to different Interveners.

4 Is there a specific allocation
5 responsibility to Mr. Crozier? Will we -- is there a
6 decision made in terms of what role or what services
7 he will provide to one versus another?

8 MS. KATRINE DILAY (by Teams): Thank
9 you for that question, Mr. Gabor.

10 So our understanding -- so in terms of,
11 sort of, overall efficiencies, we're -- we certainly
12 consented to Mr. Crozier, you know, assisting us as
13 well as other Interveners. Because, you know, he only
14 has to review the application as a whole once. So
15 that there are some efficiencies there.

16 In terms of specific issues, what we've
17 done with Mr. Crozier is asked him to look at specific
18 issues within our team of experts, when we allocate
19 the different issues.

20 We -- so Mr. Crozier would be providing
21 advice and information and his expertise to our
22 clients usually in response to issues that they need
23 further information on and further analysis on.

24 So we haven't had those specific
25 discussions with other Interveners about, kind of,

1 splitting the issues between Interveners.

2 We do expect that, ultimately, the
3 areas of focus and the ultimate positions of our
4 clients may be quite different than -- than other
5 Interveners.

6 So we are mindful of that. We don't
7 want Mr. Crozier to, you know, not be able to assist
8 us on one (1) issue because he's already assisting
9 another Intervener, because our positions and focus
10 may not align.

11 I hope that that makes sense and
12 addresses your question.

13 THE BOARD CHAIR: Thank you.

14 THE CHAIRPERSON: Mr. Watson...?

15 BOARD MEMBER WATSON: No questions at
16 this time. Thank you.

17 THE CHAIRPERSON: Thank you. I would
18 now like to ask Charlotte Meek, on behalf of CMMG, to
19 provide her opening comments.

20

21 OPENING COMMENTS BY CMMG:

22 MS. CHARLOTTE MEEK (by Teams): Good
23 morning to the Board, Board counsel, to MPI, other
24 Interveners, and to the public listening in this
25 morning.

1 My name is Charlotte Meek of the firm,
2 BD Oakes Jardine Kaneski Unruh LLP. And I'm
3 representing the Coalition of Manitoba Motorcycle
4 Groups, or CMMG, at this year's General Rate
5 Application.

6 I'd like to start off quickly just by
7 filing two (2) exhibits for CMMG. They're both on the
8 Board website. CMMG-1-0, which is the CMMG Intervener
9 application. And CMMG-1-2, the CVs of Mr. Crozier and
10 Mr. Wong.

11

12 --- EXHIBIT NO. CMMG-1-0: CMMG Intervener
13 application

14

15 --- EXHIBIT NO. CMMG1-2: Curriculum Vitaes of Mr.
16 Crozier and Mr. Wong

17

18 MS. CHARLOTTE MEEK (by Teams): The
19 CMMG has applied, again, for Intervener status at the
20 2022 General Rate Application. We are pleased to see
21 that MPI is not objecting to CMMG's Intervention this
22 year.

23 CMMG is a non-profit organization
24 promoting the safety of Manitoba's motorcyclists by
25 encouraging education, promoting legislative reform,

1 and disseminating information to aid in the continued
2 safe enjoyment of two-wheeled motorized
3 transportation.

4 CMMG aims to involve all organized
5 motorcycle groups and individual motorcyclists in
6 Manitoba in a coalition to do the following:

7 To promote the safety of motorcyclists
8 by encouraging education and liaison with organized
9 safety councils.

10 To promote legislative reform and
11 organize events with government officials and
12 representatives.

13 To disseminate information to aid in
14 the continued safe enjoyment of two-wheeled
15 transportation.

16 And to participate in the PUB Hearings
17 into insurance rate applications to ensure that just
18 and reasonable rates for motorcyclists are achieved.

19 CMMG advocates not only for the
20 interests of its members, but also represents the
21 interests of all motorcyclists throughout the province
22 of Manitoba.

23 CMMG is also actively involved in other
24 legislative changes that impact driver safety and
25 policy in the province of Manitoba.

1 I'd like to talk a little bit about the
2 reasons for CMMG's intervention this year. So CMMG's
3 Intervention will advocate for just and reasonable
4 rates for motorcyclists in Manitoba. As I said, CMMG
5 represents the interests of over seventeen thousand
6 (17,000) motorcyclists in the province.

7 The motorcycle class has rates that are
8 calculated and determined by some specific parameters
9 that do not apply to other major classes.

10 In this way, CMMG provides a focus to
11 the motorcycle rates in order to assist the Board in
12 coming to a determination of just and reasonable rates
13 for motorcycles.

14 CMMG also provides commentary on the
15 fairness of MPI's assumptions on a broader scope.

16 CMMG intends to focus on several issues
17 at this year's GRA. The issue of the rate request
18 will, of course, be of major priority. CMMG is
19 pleased to see a proposed rate decrease for the
20 motorcycle class of 1.7 percent this year.

21 Unfortunately, this comes on the tail
22 of the motorcycle class being the only vehicle class
23 last year to receive a rate increase despite the
24 excess capital received by the Corporation after the
25 COVID-19 pandemic.

1 CMMG intends to review the
2 methodologies employed by MPI in determining the rate
3 request with a specific focus on the impact on the
4 motorcycle class.

5 The Driver Safety Rating system will
6 also be another major topic that CMMG takes particular
7 interest in. CMMG has been advocating for the
8 implementation of a primary driver model to replace
9 the current registered owner model for several years
10 now.

11 MPI's application clearly states that
12 MPI does not intend to change the current model, but,
13 rather, seeks to modify the current system to make it
14 more actuarially sound and to reduce the cross-
15 subsidization between DSR ratings.

16 CMMG intends to review the proposed
17 modifications to determine whether they do enough to
18 ensure that ratepayers are being charged
19 appropriately.

20 CMMG will examine MPI's investment
21 portfolio. Again, with a specific focus on how
22 investments -- the investment strategy impacts the
23 motorcycle class.

24 CMMG is pleased to see MPI's proposal
25 that a further ALM study will be undertaken in early

1 2022.

2 Similarly to other Interveners, the
3 impacts of the COVID-19 pandemic will be of major
4 importance to CMMG this year.

5 CMMG understands that MPI intends to
6 file a Special Rebate Application to seek approval
7 from the Board for a further rebate to be provided to
8 ratepayers in the amount of \$155 million.

9 CMMG intends to review the Special Rate
10 Application with a view to determining whether the
11 applied-for rate is just and reasonable and includes
12 vehicle classes deserving of a rebate.

13 Of particular concern for CMMG is
14 whether MPI's excluding any major vehicle classes from
15 the proposed rebate this year.

16 CMMG will examine MPI's financial
17 position with particular interest to the Corporation's
18 proposal that the 5 percent capital release provision
19 be removed in tandem with the issuance of a rebate.

20 CMMG does not, at this time, intend to
21 submit any evidence in this year's application or call
22 any witnesses. But would like to reserve the right to
23 request from the Board an opportunity to do this at a
24 later point in the proceedings.

25 CMMG does intend to apply for costs in

1 relation to its proposed Intervention and, upon being
2 granted Intervener status, will submit a detailed cost
3 estimate for review by MPI and the Board.

4 CMMG would like to take this
5 opportunity to congratulate Mr. Johnston on his new
6 endeavours and to thank him for his work over the
7 years. Mr. Oakes spoke very highly of you when he
8 introduced me to this process and I know he
9 appreciated your frank responses on cross-examination.

10 I only had the opportunity to cross-
11 examine you once in these proceedings. But from my
12 short experience here at PUB and as someone who is not
13 a numbers person, I appreciated how you were able to
14 translate the material into something that I, and
15 hopefully the public, could also understand. You will
16 be missed.

17 CMMG looks forward to participating in
18 this year's General Rate Application and thanks the
19 Board for the opportunity to provide opening comments
20 this morning. Thank you.

21 THE CHAIRPERSON: Thank you, Ms. Meek.
22 Any questions, Mr. Gabor?

23

24 (BRIEF PAUSE)

25

1 THE BOARD CHAIR: Yeah. Ms. Meek,
2 just the same question as Ms. Dilay.

3 Has there been any discussion with the
4 consultants as to how you're going to share costs and
5 allocate responsibilities with the other Interveners?

6 MS. CHARLOTTE MEEK (by Teams): Yes.
7 So there has been some discussion. As you'll see,
8 from our applications, both CMMG and the Taxi
9 Coalition is looking to share the consulting with Dion
10 Strategic Consulting.

11 So we have had some discussion with the
12 Intervener about -- we've kind of delegated the
13 responsibility to that consultant to determine, in
14 situations where there is review of similar subjects,
15 that the cost of that will be split between the
16 respective Interveners.

17 And they will also track circumstances
18 where we take a particular focus on one (1) issue that
19 is not an issue that, for example, the Taxi Coalition
20 is focusing on, that those costs will be assigned to
21 us. So it should be adequately separated between.

22 In terms of Mr. Crozier, who,
23 obviously, is assisting other Interveners as well, I
24 can advise that CMMG is looking, really, to retain Mr.
25 Crozier on, really, a much more limited scope. And

1 so, it will be very specific and a much smaller cost
2 in relation to his consulting fees that we're
3 anticipating.

4 THE BOARD CHAIR: Thank you.

5 MS. CHARLOTTE MEEK (by Teams): Thank
6 you.

7 THE CHAIRPERSON: Mr. Watson...?

8 BOARD MEMBER WATSON: No comments.

9 THE CHAIRPERSON: Thank you. I would
10 now like to ask Mr. Hacault to provide opening
11 submissions on behalf of the Taxi Coalition.

12

13 OPENING SUBMISSIONS BY TAXI COALITION:

14 MR. ANTOINE HACAULT (by Teams):

15 Bonjour, Madam Chair, members of the Panel, Board
16 counsel, and advisors, representatives of MPI,
17 including counsel, all other participants, and members
18 of the public. My name is Antoine Hacault of Thompson
19 Dorfman Sweatman LLP representing the Taxi Coalition.

20 With me on the screen today is a
21 consultant, Jeff Crozier, from InterGroup Consultants.

22 Starting, I would like to, please, have
23 the following documents marked as follows. We had
24 sent a letter dated July 7, 2020, with various
25 enclosures to the Public Utilities Board. I would ask

1 that that be marked as Taxi Coalition 1-1.

2

3 --- EXHIBIT NO. TC-1-1: Letter from MPI to Public
4 Utilities Board dated July
5 7, 2020, with various
6 enclosures

7

8 MR. ANTOINE HACAULT: Included as an
9 attachment to that letter was the Intervener
10 Application Form with a fairly lengthy Schedule A, to
11 which I will be referring, and that would be
12 identified as Taxi Coalition 1-2.

13

14 --- EXHIBIT NO. TC-1-2: Intervener Application
15 Form and Schedule A
16 attached to TC-1-1.

17

18 MR. ANTOINE HACAULT: Also included
19 with that letter were four (4) CVs which I will be
20 addressing in the evidentiary portion and the
21 qualification portion. The first one is of Mr. Jeff
22 Crozier from InterGroup. That CV would be marked as
23 Taxi Coalition 1-3.

24

25 --- EXHIBIT NO. TC-1-3: CV of Jeff Crozier from

1 InterGroup Consultants

2

3 MR. ANTOINE HACAULT: The next CV is
4 that of Patrick Bowman who is no longer with
5 InterGroup Consultants but has his own consulting
6 company, Bowman Economic Consulting Inc. would be
7 marked as Taxi Coalition 1-4.

8

9 --- EXHIBIT NO. TC-1-4: CV of Patrick Bowman from
10 Bowman Economic Consulting
11 Inc.

12

13 MR. ANTOINE HACAULT: The CV of Jason
14 Wong, Dion Strategic Consultants (sic) would be marked
15 as TC -- so Taxi Coalition -- 1-5.

16

17 --- EXHIBIT NO. TC-1-5: CV of Jason Wong from Dion
18 Strategic Consulting

19

20 MR. ANTOINE HACAULT: And finally, the
21 CV of Sylvain Dion of Dion Strategic Consultants (sic)
22 would be marked as Taxi Coalition 1-6.

23

24 --- EXHIBIT NO. TC-1-6: CV of Sylvain Dion from
25 Dion Strategic Consulting

1 MR. ANTOINE HACAULT: I will now
2 proceed to address each of the issues which Madam
3 Chair identified. They are more fully set out in
4 Schedule A to our Application, so I don't intend to
5 repeat all of it because it is there and it is an
6 exhibit in this proceeding.

7 The first subject, who is the Taxi
8 Coalition, is dealt with at page 1 of Schedule A. So
9 the Taxi Coalition is comprised of Duffy's Taxi and
10 Unicity Taxi. They are independently operated
11 dispatch companies.

12 The one (1) thing that we explained
13 last time, and it was not specifically set out in the
14 Application, is that all the taxicabs themselves are
15 independently owned and operated, so whether it's the
16 taxis themselves or accessible Vehicle for Hires that
17 fall under those umbrellas.

18 And there's approximately 80 percent of
19 the six hundred and nine (609) taxicabs, Vehicle for
20 Hires and 22 percent of the accessible Vehicle for
21 Hires that are in those two (2) cooperatives.

22 Now, as last time, the -- Duffy's and
23 Unicity is collaborating for the purpose of
24 intervention on issues of common concern related to
25 premiums and characteristics of Vehicle for Hire

1 insurance.

2 Last time, we had consulted with
3 smaller taxi dispatch companies throughout Manitoba to
4 ensure a broad representation of taxi/Vehicle for Hire
5 interests, and we intend to do so again. The major
6 other centres which were dealt with were areas like
7 Brandon and Thompson.

8 Moving on to the second subject, being
9 the reasons for the participation, those are set out
10 at pages 1 and 2 of Schedule A to the Application as
11 part of TC-1-2. These broadly set out the reasons.
12 We have further broken that down later on when I'll
13 deal with the issues.

14 We've broken them down by the specific
15 numbered issues identified in the Procedural Order of
16 this Board, but going back to page 1 of Schedule A, we
17 intend to test the reasonableness of the requested
18 increase in insurance premiums for Manitoba taxis.
19 And you'll see that in the Application I've defined
20 that to include the broader group and not only Duffy's
21 and Unicity and the taxis that operate under those
22 dispatch companies.

23 And we'll be assessing those taxi rate
24 increases against those proposed for the passenger
25 Vehicle for Hire insurance use which offers

1 substantially similar services in the personal
2 transportation services market.

3 You may recall in reviewing the
4 previous Order that issued from the last General Rate
5 Application that there were several directives related
6 to our intervention last time, some of which related
7 to the Vehicle for Hire framework, but some of which
8 were larger.

9 And we intend, to the extent it's
10 appropriate, to review and assess MPI's compliance
11 with the Board directives stemming from Order 1-21.

12 We also intend to examine ratemaking
13 principles for Vehicles for Hire, including the
14 appropriateness of forecasting serious losses in the
15 passenger Vehicle for Hire experience. We had raised
16 that at the last Hearing.

17 Also looking at credibility weighting
18 approaches and implications for small insurance uses,
19 and that's pretty broad. It applies not only to the
20 Taxi Coalition public category, but to other
21 categories.

22 Implications of the minimum bias
23 procedure on territorial relativities. We looked at
24 that briefly last time. Implications combining
25 Vehicle for Hire into one (1) single major class.

1 We'll also be interested, as others, on
2 Driver's Safety Rating, DSR, but specifically on the
3 Manitoba taxis as that's been defined in the
4 application.

5 And, finally, we'll be examining the
6 implications of Manitoba taxis, of the changes in the
7 Capital Management Plan, specifically the elimination
8 of the capital release provision and the impact on
9 Manitoba taxis at renewal and the potential for future
10 capital tax rebates.

11 We have been involved in consultations
12 with MPI since the conclusion of the 2020 GRA. And we
13 thank and appreciate MPI for the dialogue that has
14 occurred so far. And we're mindful of the progress
15 towards a shared goal of improving the Vehicle for
16 Hire framework as we plan our intervention.

17 And this is just a note as an aside,
18 and we raised it this Monday in a meeting of counsel.
19 We noted that MPI has not completed its filing with
20 respect to Vehicles for Hire in the GRA. Therefore,
21 the -- for the record, the Taxi Coalition reserves its
22 right to identify additional issues and reasons for
23 its intervention.

24 I will now jump to the key issues to be
25 dealt with in this application. And those are set out

1 at pages 3 and 4 of schedule A to the application,
2 which is Taxi Coalition 1-2.

3 I won't repeat them except to indicate
4 the headings. And we'll take it that the text that's
5 under those headings will be read into the record by
6 virtue of it being marked as an exhibit.

7 So, the first area identified in the
8 issues by this Board is 2A, as in apple, the rate
9 indication based on, and this an acronym, AP, accepted
10 actuarial principles in Canada.

11 The second area on the issue list is
12 2B, as in Bob, the ratemaking methodology. And just
13 as an aside here, this -- these three (3) issues are
14 likely the issues that will lead to actuarial
15 evidence. They are actuarial issues. The -- which
16 relate to the serious losses in the passenger vehicle
17 for claims experience and forecast. Those are absent
18 right now.

19 The second issue, credibility weighting
20 methods and the impact on small insurance uses. And
21 thirdly, the minimum bias procedure and its impact on
22 territorial relativities.

23 The third issue, 3, compliance with PUB
24 Orders. The next issue, issue 7, the Capital
25 Management Plan. The next issue, issue 12, Vehicle

1 for Hire class, including rates.

2 The next issue, 14, which is
3 benchmarking, there's some benchmarking data in this
4 application with respect to taxi rates.

5 The last issue identified in the issue
6 list, issue 18, the operational impact of COVID.
7 There may be some additional matters to the extent
8 that they prove relevant to the Taxi Coalition
9 representation generally and not addressed by others
10 that we will be dealing with.

11 The next issue which I'm to address is
12 Taxi Coalition's intention with respect to evidence.
13 The Taxi Coalition intends to fully participate in
14 this Hearing by adducing evidence and by cross-
15 examination.

16 The extent of the evidence will be
17 determined after discovery. It is not certain at this
18 time that Mr. Crozier will be filing an expert report
19 or that Mr. Bowman will be filing an expert report.

20 If we can deal with issues through the
21 interrogatory process satisfactorily, it may be that
22 we don't need reports from either of those gentlemen,
23 or experts.

24 And I'll address in advance, also, the
25 -- once I finish dealing with the next two (2)

1 witnesses, the -- Mr. Wong, Jason Wong, whose CV is
2 there. You'll note that he is not a fellow -- fellow
3 actuary. His skill set is in actuarial consulting.
4 And he has some educational background, including an
5 honours degree in actuarial science.

6 So, he's a more junior person and would
7 be providing support in actuarial evidence areas. He
8 can offer his services as -- at a reduced rate because
9 of his lesser expertise and experience.

10 And then we have Sylvain Dion, who is
11 actually a Fellow and who's been in the industry for
12 more than forty (40) years who, we expect, would be
13 providing evidence on the three (3) issues that I've
14 identified and providing options and insight on those
15 issues for this Board to consider in making decisions
16 on those issues.

17 On the issue of costs, yes, the Taxi
18 Coalition intends to seek an award of costs. As soon
19 as we know what the intervention is, as approved, we
20 can provide that.

21 Some of them will have to be
22 placeholders because, again, with the actuarial
23 evidence, we are not too sure at this time what we
24 will actually need; that will depend on the
25 interrogatory process.

1 With respect to collaboration between
2 the parties, Ms. Dilay had organized -- and there was
3 a meeting of counsel generally. We do, during the
4 course of the process in regulatory proceedings, keep
5 in contact with other Intervener counsel. That
6 continues up to the Hearing.

7 Usually, we allocate, and this is based
8 on my past experience, primary responsibility on
9 cross-examination issues so that there's a minimum
10 amount of overlap if at all possible.

11 With respect to Dion Consulting,
12 Charlotte Meek, has explained that our instructions to
13 that firm and our understanding is that they will be
14 opening separate retainers but to the extent that say,
15 for example, they would spend one (1) hour reviewing
16 the application, it would be useful for both parties,
17 they would apply .5 of an hour to the Taxi Coalition
18 and .5 of an hour to the motorcycle group.

19 And if they are answering questions
20 that are specific to the intervention of the Taxi
21 Coalition and the issues we've identified, that time
22 would be allocated specifically to our group.

23 And that way, we are hoping to create
24 some efficiencies and reduce the costs of actuarial
25 involvement and evidence.

1 And the same thing applies for Mr.
2 Crozier. We note that he has been retained by others.
3 Of course, when we do this, we have to consider the
4 possibility of conflict.

5 But I do note for the record that we
6 always ask each expert to confirm their independence
7 and that they are there to provide evidence and advice
8 to this Board and not to be advocates for the position
9 of the party who's retaining them.

10 So, that should eliminate any issues of
11 advocacy because their role is to provide advice and
12 assistance to this Board.

13 I -- with respect to the
14 qualifications, we'll deal with that now. With
15 respect to Messrs. Crozier and Bowman, we would
16 propose the same qualifications that were approved at
17 the last Hearing and which were identified in the
18 slide deck of MPI.

19 With respect the actuarial evidence,
20 Mr. Jason Wong would be providing primary support and
21 an analysis of actuarial issues in this application as
22 it relates to the issues we've identified in our
23 application.

24 And Mr. Sylvain Dion, being a fellow
25 actuary, we would seek his expertise again to be

1 dealing with actuarial issues. And if he files a
2 report, which I expect he probably will need to, that
3 report will be focussed on actuarial expertise and the
4 actuarial issues related to the matters that we've
5 identified in the Application.

6 So those would be the two (2) areas,
7 and I apologize for not having identified those in the
8 letter for MPI to consider in advance and to be able
9 to comment on. But certainly the other thing that we
10 always ask our experts is that -- to confirm that they
11 will only be providing evidence in their area of
12 expertise as set out in their CVs.

13 I believe that deals with each of the
14 items that I was asked to deal with at this stage, and
15 I'm open to any questions of members of the Panel on
16 our Intervener Application.

17 THE CHAIRPERSON: Thank you. Mr.
18 Gabor...? Mr. Watson...? Thank you.

19 Mr. Guerra, do you have any comments in
20 response to the Intervener's opening comments?

21 MR. ANTHONY GUERRA: Yes, and actually
22 My Friend, Mr. Scarfone, would like to make some
23 comments.

24 MR. STEVE SCARFONE (by Zoom): There's
25 some feedback, Madam Chair. I think it's -- it's

1 done. The only comment that -- that MPI would have,
2 and we were pleased to see the comments -- or the
3 questions that Mr. Gabor asked of the prospective
4 Interveners on the actuarial services that they
5 proposed be allowed or -- during the course of the
6 hearing.

7 I was noticing that the CAC, I believe
8 at Ms. Dilay's presentation at the bottom of page 10,
9 she indicated there that, at least from their
10 perspective -- from the CAC's perspective, that a
11 joint retainer of an actuary wouldn't be in her
12 clients' best interests.

13 And so again, we'll just ask that the
14 Board be mindful of the four (4) actuaries that are
15 being proposed for the hearing, you know, on the heels
16 of Mr. Johnston's departure in particular.

17 You know, I was saying the other day
18 that some of us are old enough to remember that old
19 Sean Connery movie, The Untouchables. It feels like
20 we're going to bring a knife to a gun fight in October
21 with all these actuaries coming at us, but we will --
22 we will deal with it as -- as it presents itself.

23 But that, I think, subject to anything
24 Mr. Guerra might have to say -- we appreciate the
25 comments of all the Interveners and -- and for their

1 thoughtful presentations.

2 MR. ANTHONY GUERRA: And just one (1)
3 more thing. With respect to the Taxi Coalition's
4 submissions, we're just seeking some clarification as
5 to the particular qualification that is sought to be
6 assigned to Messrs. Wong and Dion if they are, in
7 fact, the same.

8 Just if it could be articulated for the
9 record just because I'm not sure that it was a
10 specific qualification that was going to be assigned
11 to them.

12 THE CHAIRPERSON: Thank you, Mr.
13 Guerra.

14 Mr. Hacault, could you comment on that,
15 please?

16 MR. ANTOINE HACAULT (by Teams): So
17 the only expert report that we -- if one is provided,
18 it will be authored and provided by Mr. Sylvain Dion,
19 who has forty (40) years' experience and who is a
20 fellow of the Canadian Institute of Actuaries.

21 And I've identified in our Application
22 book we know so far based on the materials filed, and
23 there were three (3) areas in which we thought there
24 would be an actuarial component. And that was issue
25 2, 'B' as in Bob, of the issues list.

1 So we would seek to have him approved
2 as an actuary to be able to provide expert evidence on
3 those three (3) issues, being the serious losses --
4 this is at page 4 of our Application. That's number
5 1.

6 Number 2, the credibility weighting
7 methods and the impact on small insurance rates. And
8 finally, the minimum bias procedure and its impact on
9 territorial relativities.

10 I'm not saying it would be limited to
11 that, and that's why, when I sought to set out his
12 qualifications, I made it in a broad way which was to
13 provide actuarial evidence with respect to issues
14 raised by the Taxi Coalition in its intervention
15 Application on the issues approved by this Board.

16

17 DISCUSSION:

18 THE CHAIRPERSON: Thank you. We will
19 now proceed to consider the preliminary issues list
20 and any procedural matters.

21 In your opening comments, Mr. Guerra,
22 you indicated that you didn't have anything further to
23 say on the preliminary issues list or procedural
24 matters. That's correct?

25 So I'd now like to ask Ms. Dilay to

1 comment on that.

2 MS. KATRINE DILAY (by Teams): Thank
3 you, Madam Chair. In terms of the issues list, CAC
4 (Manitoba) has no specific proposed changes to the
5 issues list that was preliminary (sic) approved by the
6 Board.

7 However, regarding the comments that
8 MPI made in anticipating potential comments by other
9 Interveners, CAC (Manitoba) would not oppose that the
10 Driver Vehicle Administration transfers be included as
11 a separate sub issue under the Capital Management
12 Plan, which is Issue 7.

13 It also would not oppose Driver Safety
14 Rating be considered as an issue receiving detailed
15 consideration in the 2022 GRA, and it also would not
16 oppose the Special Rebate Application as a sub issue
17 to the impacts of COVID-19 under Issue 18.

18 So in addition to the comments we made
19 about the key areas that our clients will look at, no
20 other proposed changes to the preliminary issues list.
21 Thank you.

22 THE CHAIRPERSON: Thank you.

23 Ms. Meek...?

24 MS. CHARLOTTE MEEK (by Teams): Thank
25 you, Madam Chair. Generally, CMMG has no proposed

1 changes to the preliminary issues list save we would
2 also, similarly to CAC, not oppose the Driver Safety
3 Rating receiving special consideration at this year's
4 Application.

5 Those are our comments. Thank you.

6 THE CHAIRPERSON: Thank you.

7 Mr. Hacault...?

8 MR. ANTOINE HACAULT: I'll be short.

9 We re-iterate the same position as CAC and Ms. Dilay.

10 THE CHAIRPERSON: Thank you.

11 Mr. Guerra, do you have any response to
12 the comments of the Intervenor --

13 MR. ANTHONY GUERRA: No comment.

14 THE CHAIRPERSON: -- with respect to
15 the Interveners?

16 MR. ANTHONY GUERRA: No response,
17 thank you.

18 THE CHAIRPERSON: Thank you. Again,
19 in regard to pre-qualification of expert witnesses,
20 you've indicated, Mr. Guerra, that you don't intend to
21 seek any pre-qualification. That's correct?

22 MR. ANTHONY GUERRA: Correct.

23 THE CHAIRPERSON: I would now like to
24 ask Ms. Dilay to comment on pre-qualification of -- of
25 expert witnesses.

1 MS. KATRINE DILAY (by Teams): Thank
2 you, Madam Chair. As I briefly mentioned in our
3 opening comments, at the current time, CAC (Manitoba)
4 does not anticipate calling a witness or filing
5 evidence.

6 However, given that there are -- there
7 is going to be additional information filed in
8 response to Information Requests, we would reserve the
9 right to seek permission to provide expert evidence
10 after our review of First Round Information Requests,
11 and we'd seek further direction from the Board in
12 terms of qualifying those witnesses if that is the
13 case. Thank you.

14 THE CHAIRPERSON: Thank you.

15 Ms. Meek...?

16 MS. CHARLOTTE MEEK (by Teams): Thank
17 you, Madam Chair.

18 Similarly to CAC, we do not intend to
19 call any witnesses at this year's Application, but
20 would like to reserve the right to request permission
21 from the Board to call witnesses at a later time, if
22 necessary. Thank you.

23 THE CHAIRPERSON: Thank you.

24 Mr. Hacault...?

25 MR. ANTOINE HACAULT: Yes. I

1 apologize for having overlapped the subject in my
2 primary presentation. The main decision to file
3 evidence will be after we've received all the second
4 interrogatory evidence.

5 But most likely areas where we would
6 have -- or people that we would have called as
7 witnesses are Mr. Crozier who we had agreed to the
8 same qualification as the previous hearing as set out
9 in the MPI slides.

10 And the other most likely witness will
11 be Mr. Sylvain Dion, and I addressed the area of
12 qualification in answer to Mr. Guerra's question just
13 moments ago. So I don't intend to repeat those
14 explanations.

15 THE CHAIRPERSON: Thank you. Mr.
16 Guerra, do you have any comments with regard to that?

17 MR. ANTHONY GUERRA: No. And thank
18 you very much, Mr. Hacault, for confirming your --
19 your client's request in terms of the pre-
20 qualification of the expert witnesses.

21 The only thing I might comment on is
22 just that MPI is not objecting to the expert witnesses
23 proffered by the Taxi Coalition.

24 However, just in the event that there
25 is an issue with respect or -- or competition between

1 the experts, certainly, we would advocate that the --
2 that the Board prefer the evidence of experts who have
3 -- have not only the proper qualifications, but the
4 expertise in the particular area of automobile
5 insurance actuarial issues.

6 And so, to the extent that any of the
7 extra witnesses have a more general experience, then,
8 certainly, the specialized experts' evidence should be
9 preferred to that.

10 THE CHAIRPERSON: Thank you, Mr.
11 Guerra.

12 I'll now move on to the treatment of
13 commercially sensitive information. Again, in your
14 opening comments, you provided your position with
15 regard to following the same procedure as we have in
16 the previous two (2) GRAs.

17 No further comments with regard to
18 that?

19 MR. ANTHONY GUERRA: No. And just to
20 reiterate, I -- I have circulated the proposed
21 undertaking confidentiality agreements to all of the
22 parties involved. So hopefully, there are no issues
23 with that.

24 However, we certainly are prepared to
25 take a look if there are.

1 THE CHAIRPERSON: Okay. Thank you,
2 Mr. Guerra.

3 Ms. Dilay, do you have any comments?

4 MS. KATRINE DILAY (by Teams): Thank
5 you, Madam Chair.

6 CAC (Manitoba) generally has no issues
7 with the proposed confidential process. We have,
8 indeed, appreciated MPI taking the lead in the past
9 few years to streamline this process by providing the
10 confidential information prior to one (1) motion being
11 filed, rather than several motions throughout the
12 process. We think this -- this approach has been more
13 efficient in the last few years.

14 The only comment we would have -- and
15 this probably isn't for this year -- but the time
16 lines can be quite tight between the filing of the
17 initial application and then the first round of IRs
18 being due with, of course, the Intervener applications
19 and the pre-hearing conference also taking place in
20 that time.

21 So to the extent that we are able to
22 expedite the process to obtain confidential
23 information, that would be one (1) improvement we
24 could look at. But, unfortunately, we don't have a
25 perfect solution to propose and we also understand

1 MPI's concerns regarding providing information only to
2 Interveners who are granted status.

3 So this is something that parties could
4 consider or -- or discuss moving forward to expedite
5 at the front end. Apart from that, no other comments.
6 Thank you.

7 THE CHAIRPERSON: Thank you. Ms.
8 Meek...?

9 MS. CHARLOTTE MEEK (by Teams): No
10 comments at this time from CMMG. Thank you, Madam
11 Chair.

12 THE CHAIRPERSON: Thank you. Mr.
13 Hacault...?

14 MR. ANTOINE HACAULT (by Teams): No
15 comments. The procedure worked well last time and
16 we're headed in the same direction. So that's really
17 appreciated.

18 THE CHAIRPERSON: Thank you. I'd now
19 like to speak to the rate indication that will be
20 filed in October. Ms. McCandless...?

21 MS. KATHLEEN MCCANDLESS: Yes. Thank
22 you, Madam Chair.

23 We did have a discussion at the pre-
24 hearing workshop about the contents of the update.
25 Because of the time, I had observed that what -- what

1 MPI had proposed in the application as the content of
2 the rate update was different than what the Board
3 ordered last year. There were some additional
4 schedules that the Board had ordered.

5 But I -- I see from Mr. Guerra's
6 presentation this morning that MPI has now offered to
7 provide exactly the same information with the October
8 rate update as it did last year.

9 So I believe there's no issue there in
10 terms of what MPI is proposing to provide. It will be
11 the same schedules and narratives that were provided
12 with last year's update.

13 THE CHAIRPERSON: Thank you. Mr.
14 Guerra, do you have any comments?

15 MR. ANTHONY GUERRA: No, that's
16 concisely what we talked about.

17 THE CHAIRPERSON: Okay. Thank you.
18 Ms. Dilay...?

19 MS. KATRINE DILAY (by Teams): No
20 further comments. Thank you.

21 THE CHAIRPERSON: Thank you. Ms.
22 Meek...?

23 MS. CHARLOTTE MEEK (by Teams): No
24 comments. Thank you.

25 THE CHAIRPERSON: Mr. Hacault...?

1 MR. ANTOINE HACAULT (by Teams): No
2 further comments. Thank you.

3 THE CHAIRPERSON: Thank you. I'd now
4 like to address the time table and I'd ask Ms.
5 McCandless to lead on that.

6 MS. KATHLEEN MCCANDLESS: Yes. Thank
7 you. Kristen, could you just pull the proposed time
8 table up on the screen?

9

10 (BRIEF PAUSE)

11

12 MS. KATHLEEN MCCANDLESS: Now, based
13 on our discussions at Monday's workshop, I do not
14 believe that there are any concerns from any of the
15 prospective Interveners in terms of the time table.

16 One (1) issue that we had discussed was
17 the timing of the Special Rebate Application as it
18 relates to the items on here.

19 So, generally, if the Board is prepared
20 to add the Special Rebate Application as an issue in
21 the final issues list for this Hearing, then,
22 essentially, questions around that could be submitted
23 through the IR process in accordance with this time
24 table. Subject to any additional inquiries that might
25 be needed as a result of the filing itself.

1 But I think, you know, at this point,
2 we may not -- we can cross that bridge when we come to
3 it. I -- I don't think there are any concerns with
4 the time table as presented.

5 Just one -- one (1) item of note, which
6 is the first Hearing date. Kristen, could we please
7 scroll down to the bottom? Thank you.

8 So we have, as per usual, scheduled the
9 Hearing to take place in October over three (3) weeks.
10 And, as in previous Hearings, we tend to schedule more
11 time than may ultimately be needed. But because this
12 year, the Board will likely be dealing with not only
13 the GRA, but a Special Rebate Application, it may be
14 that all of those three (3) weeks are taken up. But
15 that remains to be seen, so.

16 THE CHAIRPERSON: Thank you. Mr.
17 Guerra, do you have any comments?

18 MR. ANTHONY GUERRA: Just that we
19 certainly appreciate the -- the complication to the --
20 to the proposed time table that results from the
21 filing of the Special Rebate Application. We get
22 that.

23 We are more than prepared to assist the
24 -- the Board, the Interveners, counsel, consultants,
25 to -- to make sure that that process goes as smoothly

1 as possible. And I -- we appreciate that, you know,
2 the -- the Board probably would have liked us to have
3 already had our rebate application filed, but it needs
4 to be done correctly and -- and not as quickly as
5 possible.

6 And so, that's why we -- we do need a
7 little bit more time to make sure that this is done
8 right and so that the questions are -- are posed and
9 the answers that are provided are the most accurate
10 that we can possibly make it.

11 So we are endeavouring to -- to get
12 this filed by the 19th. And, hopefully, that gives
13 the parties still an opportunity to -- to ask, you
14 know, basic questions at the first round, and then
15 more comprehensive questions in the second round. And
16 -- and, hopefully, feel like they've had a chance to
17 participate fully on that process.

18 MR. STEVE SCARFONE: And Madam Chair,
19 just -- if the Board does have any procedural
20 concerns, again, just to -- to have the Interveners
21 and PUB counsel look at the documents that Mr. Guerra
22 had referenced today in his presentation that we say
23 should help ask -- or should help them in formulating
24 their round 1 questions.

25 And then, again, they have an

1 opportunity to ask further questions in round 2, of
2 course, which provides them, really, with a more
3 robust interrogatory process than they had for the
4 first two (2) Special Rebate Applications.

5 THE CHAIRPERSON: Thank you. Ms.
6 Dilay, do you have any comments?

7 MS. KATRINE DILAY (by Teams): Thank
8 you, Madam Chair. Just two (2) comments.

9 Generally, we have no issues with the
10 time table. So my first comment is just I'll note
11 that Mr. Byron Williams will be unavailable from
12 October 25th to 29th. But given that we expect myself
13 and another colleague to take the lead, we're not
14 asking for any changes to the timetable.

15 I just wanted to give a heads-up
16 because some of you may be either sad or happy that
17 Mr. Williams will not be there for the end of the
18 Hearing.

19 My second comment just relates to the
20 Special Rebate Application timing. Of course,
21 ideally, from our clients' perspective, having two (2)
22 rounds of Information Requests would be ideal, given
23 that we expect both applications to be heard
24 concurrently and just to -- to have the whole picture
25 it would be ideal.

1 However, we do appreciate MPI's
2 willingness to assist parties to understand the
3 application and perhaps be flexible if needed.

4 So those would be my comments. Thank
5 you.

6 THE CHAIRPERSON: Thank you. Ms.
7 Meek...?

8 MS. CHARLOTTE MEEK (by Teams): Thank
9 you, Madam Chair.

10 Similar to the CAC, our comments were
11 just focused around the Special Rebate Application.
12 And -- yeah, flexibility from MPI would obviously be
13 appreciated in maybe filing the first round of
14 Information Requests slightly late, whether that would
15 be acceptable at all. If they were got in a little
16 bit after the round 1 deadline, whether that could be
17 accommodated.

18 Just to ensure that we do have two (2)
19 rounds of Information Requests. That would be our
20 only comment. Thank you.

21 THE CHAIRPERSON: Mr. Hacault...?

22 MR. ANTOINE HACAULT: Yes. Thank you,
23 Madam Chair. The same comment with respect to the
24 Special Rebate Application. We'd appreciate some
25 accommodation, depending on the filing, to give us

1 some time to ask any relevant questions so we get two
2 (2) series of Information Requests.

3 On that, the other point that I noted
4 in my initial presentation and at the meeting of
5 counsel on Monday, I understood -- MPI had indicated
6 there would be flexibility, is that the application
7 itself has some information yet to be provided with
8 respect to Vehicle for Hire issues.

9 So, there were three (3) areas where
10 the application says, "information to be provided."
11 Of course, if we don't receive it by the Information
12 Request deadline, we won't be able to ask any
13 questions, or if it's too close to that.

14 So, my understanding is that there
15 would be some flexibility allowed there so we can
16 actually take the time to analyze the information and
17 ask appropriate interrogatories for Information
18 Requests.

19 And if we can have that accommodation,
20 obviously, it would be appreciated, because it would
21 allow us to have adequate discovery and not have to
22 deal with those things at the hearing.

23 THE CHAIRPERSON: Mr. Guerra, do you
24 have any comments?

25 MR. ANTHONY GUERRA: Yes. Mr. Hacault,

1 I just -- I have heard the statement a couple times.

2 The -- the only thing I'm -- I'm not aware of is
3 exactly what it is the Taxi Coalition is expecting.

4 MPI will be filing the course of this
5 GRA, that it has control over the filing of. So, for
6 example, the Vehicle for Hire framework review, that
7 will be filed in the context of next year's rate
8 application.

9 I understand there's still an
10 outstanding Vehicle for Hire Tech Conference Report
11 that -- that's not in -- within our control at the
12 moment. So, we will file it as soon as it becomes
13 available to us, but that's not being prepared by us.

14 So, if there's a particular other
15 document that you are waiting for, that you were
16 expecting to be filed in the course of this rate
17 application, we can still have a discussion about
18 that, but those -- those are the two (2) documents I
19 understand they're outstanding and one (1) will not be
20 filed in the course of this rate application, and
21 that's the framework review.

22 THE CHAIRPERSON: Thank you, Mr.
23 Guerra. Yes. Yes.

24 MR. ANTOINE HACAULT: Mr. Hacault
25 here. I had identified at the meeting of counsel, I

1 think by memory it was at page 91 and 92 of the PDF of
2 the GRA. There were two (2) specific areas that had a
3 heading and they ended with the sentence, "MPI to file
4 the information."

5 And I can get that to you, Mr. Guerra,
6 again. Unfortunately, I don't have my notes with me
7 today. 91 and 93 apparently on those two (2) specific
8 items, but I can send -- I can send that information
9 to you again, but it's in your application that the
10 information is to be provided.

11 THE CHAIRPERSON: Thank you, Mr.
12 Hacault.

13 Any concluding questions from the
14 Board? Mr. Gabor...? Mr. Watson...? Thank you.

15 I believe that concludes all the items
16 that were to be considered at this morning's pre-
17 hearing conference and I will adjourn the conference
18 now.

19 Thank you very much for your
20 participation, everyone in the room and everyone on
21 the video.

22 MR. ANTHONY GUERRA: Thank you, Madam
23 Chair.

24

25 --- Upon adjourning at 11:58 a.m.

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4 Certificate of Transcript

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Wendy Woodworth, Ms.

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