



LETTER NO. L-50-03

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Log No. 4197

October 16, 2003

Ms. Jerri New
President
Office & Professional Employees' International Union
Local 378
2nd Floor 4595 Canada Way
Burnaby, B.C. V5G 4L9

Dear Ms. New:

Re: Insurance Corporation of British Columbia ("ICBC")
2004 Revenue Requirements Application for Universal Compulsory Automobile Insurance and
the Submission of the Office & Professional Employees' International Union ("OPEIU")

It is apparent that a request for a decision was embedded in the OPEIU submission of evidence dated October 3, 2003. Such a request for a decision would normally be made under a separate cover to the Commission. As the regulatory process is new for both ICBC and most Intervenor, in this instance the Commission Panel will separate the request for a decision from the evidence submitted and deal with them on a separate basis.

Before specifically addressing matters in OPEIU's letter dated October 3, 2003, the Commission Panel deems it important to note that its actions in reviewing ICBC's 2004 Revenue Requirement Application are conditioned and constrained by several factors.

First, the British Columbia Utilities Commission must act within the statutory mandate specified in the *Insurance Corporation Amendment Act, 2003, S.B.C. 2003, c. 35* and also in the *Special Direction IC1, dated August 12, 2003*. Issues to be considered by the Commission Panel must fall within this statutory mandate. For instance, this mandate does not cover ICBC optional insurance.

Second, due to the severe constraint to render a Commission Decision by November 17, 2003 and the resulting necessity of adopting the Written Public Hearing Process (Order No. G-54-03) for the examination of ICBC's 2004 Revenue Requirement Application, certain limitations are introduced that would not be present in a more comprehensive Oral Public Hearing Process.

Third, the regulatory process is relatively new for ICBC and most of the Intervenor. We expect however, that over time ICBC and most Intervenor will become fully familiar with the process. Further, as ICBC restructures its operations to transition to a regulated environment, certain data is not available at this time.

In its letter dated October 3, 2003, OPEIU indicated that there seems to be a lack of consistency between ICBC's responses to Intervenor and Commission questions both in terms of the scope of the responses and the percent of information requests responded to. It should be noted that the Panel expects an Applicant to address all Information Requests in a similar fashion irrespective of the legitimate source of the request.

It appears, however, that the OPEIU's comparison analysis makes no judgment as to the appropriateness of information requests to the specific matters under consideration in the current process or to the jurisdiction of the Commission. In the Commission Panel's view the information requests include matters not within the Commission's jurisdiction or go beyond the scope of information necessary at this time to address ICBC's specific request for an increase of 1.3% in basic premiums. Therefore, the request for a decision in your submission of October 3, 2003 is denied.

Yours truly,

Original signed by:

Robert J. Pellatt

WK/chm

cc: Mr. Donnie Wing, ICBC
Registered Intervenors