

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-78-05

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF

the Insurance Corporation Act, RSBC 1996, Chapter 228, as amended
and

the Utilities Commission Act, RSBC 1996, Chapter 473, as amended
and

An application by the Insurance Corporation of British Columbia
for approval of the 2006 Revenue Requirements for Universal Compulsory Automobile Insurance
and

A filing relating to the Insurance Corporation of British Columbia's Universal Compulsory Automobile Insurance
Capital Management Plan
and

An application for approval of refinements to certain performance measures
and

A filing of information on seven financial allocation functions
and

An application for approval of changes to certain allocation functions

BEFORE: Len Kelsey, Commissioner and Panel Chair August 24, 2005

O R D E R

WHEREAS:

- A. In a letter to the staff of the British Columbia Utilities Commission ("BCUC", "Commission") dated June 3, 2005 the Insurance Corporation of British Columbia ("ICBC") proposed, among other matters, that a full revenue requirements review is not warranted; and
- B. In a letter dated June 8, 2005, the Commission expressed concern that the lack of a full revenue requirements filing is inconsistent with the determinations of the Commission in its last ICBC Decision dated January 19, 2005. The Commission, however, also expressed concern that it not initiate any unwarranted proceedings, which would be costly, time consuming or inappropriate. As a result, the Commission sought the views of Registered Intervenor in the last ICBC regulatory proceeding, with respect to ICBC's proposals; and
- C. Between June 13 and 15, 2005, Registered Intervenor in the last ICBC regulatory proceeding provided written responses indicating they did not support ICBC's proposal that a full revenue requirements review is not warranted; and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-78-05

- D. The Commission issued Letter No. L-40-05 dated June 15, 2005, wherein it determined that a comprehensive revenue requirements application for 2006 Universal Compulsory Automobile Insurance (“Basic Insurance”) premiums is to be filed with the Commission no later than August 22, 2005; and
- E. On August 22, 2005, ICBC submitted an application for approval of the 2006 Revenue Requirements for Basic Insurance, a filing relating to ICBC’s Basic Insurance Capital Management Plan, an application for approval of refinements to certain performance measures, a filing of information on seven financial allocation functions and an application for approval of changes to certain allocation functions (the “Application”). The Application is in response to the directive in Letter No. L-40-05 and directives issued by the Commission in its Decision dated January 19, 2005 and includes additional information and applications; and
- F. In the Application, ICBC advised that it is not applying for a change to Universal Compulsory Automobile Insurance rates.

NOW THEREFORE the Commission orders as follows:

- 1. ICBC is to lead a Workshop with respect to the Application, commencing at 9:00 a.m. Thursday, September 8, 2005 in the Commission’s Homer Street Hearing Room on the Third Floor, 855 Homer Street, Vancouver, B.C.
- 2. The Application will be examined in an Oral Public Hearing in accordance with a Regulatory Agenda and Timetable to be established following a Pre-hearing Conference to be held, on Thursday, September 8, 2005, commencing at 1:00 p.m., on the Third Floor, 855 Homer Street, Vancouver, B.C.

A list of issues and schedule for the Oral Public Hearing will be prepared with input from all active participants.

- 3. ICBC will publish, by Wednesday, August 31, 2005 or as soon as possible thereafter, in display-ad format, the Notice of Pre-hearing Conference and Notice of Oral Public Hearing Process, attached as Appendix A, in such appropriate local news publications as may properly provide adequate notice to the public in its service areas.
- 4. The Application and supporting material will be made available for inspection at major ICBC locations including, Campbell River, Cranbrook, Fort St. John, Kelowna, Nanaimo, Nelson, Prince George, Terrace, Victoria, Burnaby, Surrey, the Head Office of ICBC at 151 West Esplanade, North Vancouver, B.C., on ICBC’s website, and at the Commission Offices, Sixth Floor, 900 Howe Street, Vancouver B.C. V6Z 2N3.
- 5. Intervenors and Interested Parties should register with the Commission, in writing, by Friday September 2, 2005.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-78-05

3

6. Intervenors intending to apply for participant assistance must submit a budget estimate by Friday, September 16, 2005, consistent with the Commission's Participant Assistance/Cost Award Guidelines and Order No. G-15-04. Copies are available upon request or can be downloaded from the Commission's web site at <http://www.bcuc.com>.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of August 2005.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachment



**NOTICE OF PRE-HEARING CONFERENCE AND
ORAL PUBLIC HEARING PROCESS**

INSURANCE CORPORATION OF BRITISH COLUMBIA

An application by the Insurance Corporation of British Columbia
for approval of the 2006 Revenue Requirements for Universal Compulsory Automobile Insurance

and

A filing relating to the Insurance Corporation of British Columbia's Universal Compulsory Automobile Insurance
Capital Management Plan

and

An application for approval of refinements to certain performance measures

and

A filing of information on seven financial allocation functions

and

An application for approval of changes to certain allocation functions

Date of Pre-hearing Conference and Workshop:	Thursday, September 8, 2005
Time:	Commencing at 9:00 a.m.
Location:	Homer Street Hearing Room, Third Floor, 855 Homer Street, Vancouver, B.C. V6B 5S2

THE APPLICATION

On August 22, 2005, the Insurance Corporation of British Columbia ("ICBC") submitted an application for approval of the 2006 Revenue Requirements for Universal Compulsory Automobile Insurance ("Basic Insurance"), a filing relating to ICBC's Basic Insurance Capital Management Plan, an application for approval of refinements to certain performance measures, a filing of information on seven financial allocation functions and an application for approval of changes to certain allocation functions (the "Application").

The Application is in response to the directive issued by the British Columbia Utilities Commission ("BCUC, Commission") in Letter No. L-40-05 and directives issued by the Commission in its Decision dated January 19, 2005 and includes additional information and applications.

In the Application, ICBC advised that it is not applying for a change to Universal Compulsory Automobile Insurance rates.

THE REGULATORY PROCESS

The Commission wishes to ensure that all affected parties have an opportunity to understand the basis for the Application. The Commission will review the Application using an Oral Public Hearing process to be established following a Pre-hearing Conference commencing at 1:00 p.m. Thursday, September 8, 2005 on the Third Floor, 855 Homer Street, Vancouver, B.C., Canada V6B 5S2. A Workshop with respect to ICBC's Application will be held on the same date and location commencing at 9:00 a.m.

PUBLIC INSPECTION OF THE APPLICATION

The Application and supporting material will be made available for inspection at the following ICBC field office locations:

- Campbell River Claim Services, 820 - 12th Avenue, Campbell River, B.C.
- Cranbrook Claim Centre, 126 Briar Avenue, N.W., Cranbrook, B.C.
- Fort St. John Claim Centre, 10507 - 100 Street, Fort St. John, B.C.
- Kelowna Claim Centre, 1720 Springfield Road, Kelowna, B.C.
- Nanaimo Claim Centre, 6460 Applecross Road, Nanaimo, B.C.
- Nelson Claim Centre, 114 McDonald Drive, Nelson, B.C.
- Prince George Claim Centre, 4001 - 15th Avenue, Prince George, B.C.
- Terrace Claim Centre, 4612 Keith Avenue, Terrace, B.C.
- ICBC/Victoria Operations, 910 Government Street, Victoria, B.C.
- Greater Vancouver Regional Office, 501 - 4180 Lougheed Hwy, Burnaby, B.C.
- Fraser Valley Regional Office, 207 - 7565-132nd Street, Surrey, B.C.

The Application and supporting material will also be made available at the ICBC Head Office at 151 West Esplanade, North Vancouver, B.C., on the ICBC website at <http://www.icbc.com>, and at the Commission Offices, Sixth Floor, 900 Howe Street, Vancouver B.C. V6Z 2N3.

REGISTERING TO PARTICIPATE

Persons who expect to attend the Pre-hearing Conference and actively participate in the Oral Public Hearing process should register as Intervenor with the Commission. Intervenor will receive copies of the filings, all correspondence and filed documents.

Persons with an interest in the proceedings but who are not expecting to actively participate should register as Interested Parties and will receive a copy of the Executive Summaries of the filings, all Orders issued, and the Commission's Decision.

Intervenor and Interested Parties should inform the Commission Secretary, in writing, by Friday, September 2, 2005 of their intentions. Notification by courier delivery, fax or e-mail is acceptable.

FURTHER INFORMATION

A copy of the document "Understanding Utility Regulation: A Participants' Guide to the British Columbia Utilities Commission" is available on the Commission's website at <http://www.bcuc.com> >Guidelines & Resources>Guidelines.

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Werner J. Krampfl, Senior Financial Analyst as follows:

Telephone: (604) 660-4700
Facsimile: (604) 660-1102

E-Mail: Commission.Secretary@bcuc.com
Telephone: (B.C. Toll Free) 1-800-663-1385