

**ORDER NUMBER
F-16-16**

IN THE MATTER OF
the *Utilities Commission Act*, R.S.B.C. 1996, Chapter 473

and

the *Insurance Corporation Act*, R.S.B.C. 1996, Chapter 228, as amended

and

Applications for Participant Assistance/Cost Award Application
in the Insurance Corporation of British Columbia Revenue Requirements Application
for Universal Compulsory Automobile Insurance
for the Policy Year Commencing November 1, 2015

BEFORE:

B. A. Magnan, Commissioner/Panel Chair
H. G. Harowitz, Commissioner
I. F. MacPhail, Commissioner

on June 30, 2016

ORDER

WHEREAS:

- A. On August 31, 2015 and October 15, 2015, the Insurance Corporation of British Columbia (ICBC) filed, in two parts, with the British Columbia Utilities Commission (Commission) its 2015 Revenue Requirements Application for Universal Compulsory Automobile Insurance (Basic insurance);
- B. By Orders G-169-15 and G-212-15, the Commission established a written public hearing process for the review of the ICBC 2015 Revenue Requirements Application including two rounds of information requests, an intervener evidence process and written final arguments;
- C. By Order G-74-16 and the Decision issued concurrently on May 27, 2016, the Commission approved a 5.5 percent Basic insurance permanent rate for the Policy Year 2015, among other matters;
- D. The following participants filed Participant Assistance/Cost Award (PACA) applications with the Commission with respect to their participation in the ICBC 2015 Revenue Requirements proceeding:

DATE	PARTICIPANT	REQUEST
April 15, 2016	British Columbia Old Age Pensioners' Organization <i>et al.</i>	\$20,511.86
April 29, 2016	Toward Responsible Educated Attentive Driving	\$17,994.90
May 6, 2016	Mr. Richard Landale	\$325.96

- E. On June 22, 2016, ICBC submitted comments on the PACA applications by the participants; and
- F. The Commission reviewed the PACA applications and ICBC's letter of comment with regard to the criteria and rates set out in the PACA Guidelines in Commission Order G-72-07.

NOW THEREFORE pursuant to section 118(1) of the *Utilities Commission Act* and for the reasons for decision attached as Appendix A to this order, the British Columbia Utilities Commission orders as follows:

1. Funding is awarded to the following participants for their participation in the Insurance Corporation of British Columbia (ICBC) 2015 Revenue Requirements proceeding:

PARTICIPANT	AWARD
British Columbia Old Age Pensioners' Organization <i>et al.</i>	\$20,511.86
Toward Responsible Educated Attentive Driving	\$15,172.50
Mr. Richard Landale	\$325.96
TOTAL	\$36,010.32

2. ICBC is directed to reimburse the above-noted participants in a timely manner.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of June 2016.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner

Attachment

Applications for Participant Assistance/Cost Award Application
in the Insurance Corporation of British Columbia Revenue Requirements Application
for Universal Compulsory Automobile Insurance for the Policy Year Commencing November 1, 2015

REASONS FOR DECISION

1.0 BACKGROUND

The British Columbia Utilities Commission (Commission) received Participant Assistance/Cost Award (PACA) applications from three participants in the Insurance Corporation of British Columbia (ICBC) application for approval of the Revenue Requirements for Universal Compulsory Automobile Insurance (Basic insurance) for the Policy Year commencing November 1, 2015 (ICBC 2015 RRA). The three participants are as follows:

- British Columbia Old Age Pensioners Organization *et al.* (BCOAPO);
- Toward Responsible Educated Attentive Driving (TREAD); and
- Mr. Richard Landale (Mr. Landale)

The Panel reviewed the PACA applications while taking into consideration the PACA Guidelines set out in Commission Order G-72-07, and ICBC's comments dated June 22, 2016.

2.0 PACA GUIDELINES

The PACA Guidelines discuss the eligibility requirements and criteria used in assessing cost awards, including the process for applying for a cost award and eligible costs and rates. The Commission first considers whether the participant has a substantial interest in a substantial issue in the proceeding in determining an award of all or any portion of a participant's costs. Except in limited circumstances, it is expected that only ratepayer groups will establish a substantial interest in a substantial issue so as to be eligible for an award in a revenue requirements proceeding. The principal interest of ratepayer groups will be the rate impacts of the revenue requirements to be paid by the ratepayer participants.

The Commission then considers the following:

- (i) Will the participant be affected by the outcome?
- (ii) Has the participant contributed to a better understanding of the issues by the Commission?
- (iii) Are the costs incurred by the participant for the purposes of participating in the proceeding fair and reasonable?
- (iv) Has the Participant joined with other groups with similar interests to reduce costs?
- (v) Has the Participant engaged in any conduct that tended to unnecessarily lengthen the duration of the proceeding?
- (vi) Any other matters appropriate in the circumstances.

If the Commission considers it to be an appropriate consideration in a proceeding, the Commission may consider the participant's ability to participate in the proceeding without an award.

3.0 PACA APPLICATIONS

The ICBC 2015 RRA was reviewed by way of a written hearing process. The regulatory review consists of a half day procedural conference, two rounds of information requests (IR), an intervener evidence process, and one round of written final arguments.

Commission discussion

Section 4 of the PACA Guidelines provides that the Commission may award costs for preparation days, typically on a ratio of up to two days per proceeding day. While the term proceeding days cannot be directly applied to written hearings, the Panel has considered the events set out in the regulatory timetable. The Panel determines that 13.5 days is a reasonable maximum number of funding days in the ICBC 2015 RRA.

3.1 BCOAPO

BCOAPO is a group of community-based organizations who collectively represent the interests of low and fixed income residential ratepayers in British Columbia. BCOAPO requests \$20,511.86 in cost award based on \$12,544.00 for counsel fees (8 days), \$7,850.00 for consultant fees (9.8125 days), and \$117.86 for disbursements, inclusive of applicable taxes. ICBC had no comments on BCOAPO's PACA application.

Commission determination

In consideration of the PACA Guidelines, the Panel finds that BCOAPO is eligible for PACA funding in this proceeding as it is a ratepayer group and has a substantial interest in a substantial issue. BCOAPO contributed to a better overall understanding of the ICBC 2015 RRA. BCOAPO participated at the Procedural Conference and submitted two rounds of IRs and final argument. Therefore, the Panel finds that 10.5 days is the maximum funding days for BCOAPO's participation in the proceeding. BCOAPO claimed 8 days for legal counsel, and 9.8125 days for consultant services, both of which were within the 10.5 maximum funding days. The Panel awards BCOAPO's requested PACA as it met the criteria set out in the PACA Guidelines.

The Panel awards BCOAPO a cost award of \$20,511.86 inclusive of applicable taxes.

3.2 TREAD

TREAD an organization established in September 2013 by Mr. Fred Weisberg. TREAD represents ICBC policyholder interests in ICBC regulatory proceedings. TREAD submits that it currently has 123 members. The members of TREAD share the following interests by providing their information to TREAD and signing the following statements:¹

YES – I want lower Compulsory Insurance rates from ICBC

YES – I want lower insurance rates from ICBC for good drivers like me and higher insurance rates for bad drivers who cause more accidents

YES – I support Toward Responsible Educated Attentive Driving ("TREAD") legally representing good drivers like me before the BC Utilities Commission

¹ The statements are in large bold typeface, as shown in TREAD's application, p. 2 and in Exhibit A-14 of the ICBC 2015 RRA.

TREAD requests an amount of \$17,994.90 in cost award based on \$16,020.00 for counsel fees (8.9 days) plus applicable taxes and \$52.50 for printing/photocopying. Fred J. Weisberg, Barrister & Solicitor, is the legal counsel for TREAD.

In its letter dated June 22, 2016, ICBC submitted the following comments on TREAD:

1. ICBC defers to the Commission's judgment as to whether TREAD has demonstrated that it has a sufficient level of active membership and appropriate governance structure of a ratepayer group;
2. ICBC questions the value of TREAD asking IRs on ICBC's public communications; and
3. ICBC notes that TREAD submitted IRs on rate design matters that are out of scope.

Commission determination

In consideration of the PACA Guidelines, the Panel finds that TREAD is eligible for PACA funding in this proceeding as it has demonstrated that TREAD is a ratepayer group and has a substantial interest in a substantial issue. The Panel considers that TREAD has contributed to a better overall understanding of the ICBC rate request by exploring issues that are relevant to the rate application, such as actuarial analysis, operating expenses and claims initiatives.

TREAD participated at the Procedural Conference and submitted two rounds of IRs. Therefore, the Panel finds that 7.5 days is the maximum funding days for TREAD's participation in the proceeding. TREAD claimed 8.9 days for legal counsel which exceeds the 7.5 maximum funding days. Based on the contribution by TREAD in this proceeding, the Panel awards TREAD the maximum 7.5 days for its legal counsel at \$1,800 per day plus applicable taxes and \$52.50 for printing/photocopying costs.

The Panel awards TREAD a cost award of \$15,172.50 inclusive of applicable taxes.

3.3 Mr. Landale

Mr. Landale represents himself as a senior citizen and has no affiliation with any other groups or associations. He requests an amount of \$325.96 that consists of printing, travel, and meals. ICBC had no comments on Mr. Landale's PACA application.

Commission determination

The Panel notes that Mr. Landale claimed out of pocket expenses for printing, travel, and parking and provided receipts where available. The Panel considered Mr. Landale's PACA application and finds that the requested amount to recover out of pocket expenses is reasonable.

The Panel awards Mr. Landale a cost award of \$325.96 inclusive of applicable taxes.