

REQUESTOR NAME: **Richard T. Landale BCUC Intervener C2**  
 INTERVENER SUBMISSION TO APPROVE 4.9% RATE CHANGE  
 TO: INSURANCE CORPORATION OF BRITISH COLUMBIA  
 DATE: **28 December 2016**  
 PROJECT NO: **3698890 BCUC**  
 APPLICATION NAME: **ICBC 2016 REVENUE REQUIREMENT APPLICATION**

*If you have integrity, nothing else matters. If you don't have integrity, nothing else matters.*

~Alan Simpson

[https://en.wikipedia.org/wiki/Alan\\_K.\\_Simpson](https://en.wikipedia.org/wiki/Alan_K._Simpson)

## 1.0 PREAMBLE.

The British Columbian Utilities Commission has lost its mandate. The mandate under which the Commission operated was given by the British Columbian Government. The Commission's mandate has been successively stripped from the Commission in prior years, and again now by the Government by order of the Lieutenant Governor in Council issuing the Order In Council OIC-960-16 December 16<sup>th</sup> 2016, amending Special Direction IC2

The Commission no longer has the mandate to perform its duties as an independent regulator in matters of the crown corporation known as the – Insurance Corporation of British Columbia (ICBC).

The order in council with unequivocal clarity orders the BCUC to approve the ICBC Rate increase of 4.9% or less by January 16<sup>th</sup> 2017, as per :

### SCHEDULE

**1 Section 3 (1) of Special Direction IC2 to the British Columbia Utilities Commission, B.C. Reg. 307/2004, is amended by adding the following paragraph:**

(a.1) for the 2016 policy year, issue its final general rate change order by January 16, 2017; .

**2 Section 3 (1.1) is amended by striking out “and” at the end of paragraph (a), by adding “, and” at the end of paragraph (b) and by adding the following paragraph:**

**(c) by adding the following paragraph:**

(c) for the 2016 policy year, the percentage number of a rate change fixed by a general rate change order must not exceed 4.9.

The Commission on December 20<sup>th</sup>. 2016 writes to ICBC in Exhibit A-14 the suspension of the Regulatory Hearing Timetable pending the issuance of an amended regulatory timetable in due course.

The Commission inconsequentially provides five bulleted reasons to ICBC in this letter, which have no relevance to OIC-960-16. The IOC does not address these issues beyond the specificity of : “the percentage of a rate change fixed by a general rate change order must not exceed 4.9”

The Commission invites the applicant to file submissions by December 23<sup>rd</sup>. 2016 and interveners by December 30<sup>th</sup>. 2016, quote: “as to whether or not the Panel should approve the PY 2016 Basic insurance rate change of 4.9 percent on a permanent basis”.

The Commission Via eFile issued G-195-16 dated December 20<sup>th</sup> 2016 Exhibit A-13, writes: “D. The Commission considers that suspending the Regulatory Timetable established by Order G-163-16 is warranted due to the requirements set out in OIC 960/16.”

The Commission files ICBC response letter Exhibit B-10 on December 23<sup>rd</sup>. 2016

## 2.0 BCUC MANDATE:

The Commission following the OIC-960-16 is now at a major cross road in its independent regulatory oversight functionally to perform its duties, as declared to “Stakeholders” - the citizens of British Columbia in their “British Columbia Utilities Commission 2016-2019 Business Plan” dated March 31<sup>st</sup>. 2016.

For the Service Plan please see Commission's website at [www.bcuc.com/ServicePlan.aspx](http://www.bcuc.com/ServicePlan.aspx).

Without copying the entire document, the following excerpts highlight the BCUC and Commissioner mandates to perform as an Independent Regulator.

### *Legislative and Policy Framework*

The British Columbia Utilities Commission has a mandate under the Utilities Commission Act to regulate energy utilities as well as the Insurance Corporation of British Columbia's universal compulsory automobile insurance. The Clean Energy Act and the Insurance Corporation Act provide further legislative direction to the Commission.

The government has refined and amended the legislated mandate through its energy policy, including “The BC Energy Plan: A Vision for Clean Energy Leadership” (The 2007 Energy Plan), “BC's Natural Gas Strategy: Fuelling BC's Economy for the Next Decade and Beyond”, BC's “Liquefied Natural Gas: A Strategy for BC's Newest Industry” and through various special directions to the Commission. The Clean Energy Act, the 2007 Energy Plan, The Natural Gas and LNG strategies and various special directions have provided the Commission with complex Policies and direction to consider regarding environmental interests and impacts.

The Commission is committed to the Taxpayer Accountability Principles, as established by the BC Government, And strives to deliver a cost-effective, reliable and accountable service for British Columbians.

### *Mission, Vision and Values*

The BCUC further defines its mandate through its Mission, Vision and Values.

#### *Mission:*

To regulate energy utilities and basic automobile insurance by ensuring safe, reliable energy Services and fair energy and basic auto insurance rates, by seeking input from relevant Stakeholders through fair, transparent and inclusive processes; and by issuing well-reasoned, Clearly written decisions.

#### *Vision:*

To be a trusted and respected regulator that contributes to the well-being and long-term Interests of British Columbians.

#### *Values:*

Accessibility - We facilitate fair, transparent and inclusive processes that encourage well represented input from relevant stakeholders who possess the information required to present their views effectively.

#### *Integrity:*

We lead in a straight forward and consistent manner, by making objective and well-reasoned decisions and by treating stakeholders with dignity and respect.

#### *Responsiveness:*

We deliver efficient regulation, aligned with all relevant legislation and regulations and government policies, that takes into account the business needs of regulated entities and the public interest.

#### *Innovation:*

We continually strive to develop new efficiencies and innovative solutions in our internal operations and regulatory processes.

#### *Excellence:*

We promote excellence by expecting high standards of performance and conduct by regulated entities and by encouraging professional development and excellence in our staff and commissioners.

## INTERVENER SUBMISSION TO APPROVE 4.9% RATE CHANGE

BCUC Mandate continued:

### *Independent Review of the BCUC*

In February 2015 an Independent Task Force appointed by the BC Government to review the BCUC released its Final Report. In developing the report the Independent Task Force solicited extensive feedback from a broad range of internal and external BCUC stakeholders. The Final Report contains 35 recommendations directed at both government and the BCUC to improve the efficiency and effectiveness of the Commission. These recommendations were grouped under the following seven key findings on restoring a strong and independent Commission:

- It is the provincial government's prerogative to set provincial energy policy, to define the Commission's mandate, and to direct the Commission on specific matters;
- The existence of an independent expert Commission is more important than ever today. By regulating monopolies the BCUC provides an essential public service. Unfortunately the Government and key stakeholders have less confidence in the BCUC than in the past;
- The Commission needs to be strengthened, and be seen to be strengthened;
- The Commission staff needs to be strengthened;
- Commission review processes should be improved;
- Crown corporations present unique regulatory challenges; and
- Solutions to most of the Commission's challenges do not require legislative or regulatory changes.

### 3.0 QUESTIONS TO THE BCUC MANDATE ?

The Commission needs to answer to this intervener the following *in light of OIC-960-16 and their commitment to their published Service Plan* as noted above. The questions are formed by the excerpts from the Service Plan: (emphasis added)

1. The *British Columbia Utilities Commission has a mandate* under the Utilities Commission Act to regulate energy utilities as well as the Insurance Corporation of British Columbia's universal compulsory automobile insurance. (emphasis added)
2. The Commission is committed to the *Taxpayer Accountability Principles*, as established by the BC Government, And strives to deliver a cost-effective, reliable and accountable service for British Columbians. . (emphasis added)
3. *Mission: by seeking input from relevant Stakeholders through fair, transparent and inclusive processes; and by issuing well-reasoned, Clearly written decisions.* (emphasis added)
4. *Vision: To be a trusted and respected regulator* that contributes to the well-being and long-term Interests of British Columbians. (emphasis added)
5. *Accessibility - We facilitate fair, transparent and inclusive processes that encourage well represented input from relevant stakeholders* who possess the information required to present their views effectively. (emphasis added)
6. *Responsiveness: We deliver efficient regulation, aligned with all relevant legislation and regulations and government policies, that takes into account the business needs of regulated entities and the public interest.* (emphasis added)

#### 4.0 QUESTIONS REGARDING THE INDEPENDENT REVIEW OF THE BCUC ?

The Commission needs to answer to this intervener the following in light of OIC 960-16 and their commitment to their published Service Plan as noted above. The questions are formed by the excerpts from the Service Plan:

1. The Final Report contains 35 recommendations directed at both government and the BCUC *to improve the efficiency and **effectiveness of the Commission***. (emphasis added)
2. It is the provincial government's prerogative to set provincial energy policy, to define the Commission's mandate, and to direct the Commission on specific matters.
3. *The existence of an independent expert Commission is more important than ever today. By regulating monopolies the BCUC provides an essential public service. Unfortunately the Government and key stakeholders have less confidence in the BCUC than in the past.* (emphasis added)
4. *The Commission needs to be strengthened, and be seen to be strengthened.* (emphasis added)
5. Crown corporations present unique regulatory challenges; and *Solutions to most of the Commission's challenges do not require legislative or regulatory changes.* (emphasis added)

#### 5.0 HOW IS THE COMMISSION SERVING THE PUBLIC INTEREST ?

About this time it must be plainly obvious to the Commission that this intervener has lost complete faith in the Commission Panel abilities to providing independent regulatory oversight in the matter of the proceedings of **3698890 BCUC ICBC 2016 REVENUE REQUIREMENT APPLICATION**.

Returning briefly to the Commission's Exhibit A-13, clearly it can be seen from the "Orders" - "Whereas" A, B, C, and D are explicitly addressing the will of the Government, and not an independent regulator. Followed by the "Now Therefore" paragraph.

This exhibit clearly follows item 2 above : "It is the provincial government's prerogative..... to define the Commission's mandate, and to direct the Commission on specific matters."

Exhibit A-13 is completely contrary to the declared Commission's Mission, Vision, Values and Integrity statements declared in their Service Plan.

Only a cursory reread of the "Mission" declaration demonstrates how the Commission has failed to be transparent with inclusive processes. Exhibit A-13 details an "Order" signed by the Chair at the behest of the Government. This is followed by a second Commission Exhibit A-14, which can only be characterized as an attempt by the Commission to be inclusive to the applicant and registered interveners. By reading in totality both Exhibits A-13 and A-14 together, there can be no question that neither the applicant or any registered intervener could possibly influence, or to change the course of the Commission Panel to ignore OIC-960-16, given the explicit amendments to Special Direction IC2. Further in Exhibit A-14, the commission constrains interveners (non-inclusively), quote:

"For clarity, the Commission is only seeking for submissions related to the permanent PY 2016 rate change"

Because the BCUC in their Service Plan clearly state, "It is the provincial government's prerogative to set provincial energy policy, to define the Commission's mandate, and to direct the Commission on specific matters".

In light of OIC -960-16, the Commission Panel needs to answer to this intervener, how is the Commission Panel serving the best public interests by approving as directed to so by Special Direction IC2 amendments, the 4.9% general rate increase by January 16<sup>th</sup> 2017?

## 6.0 THE COMMISSION CAN SERVE THE PUBLIC INTEREST BY:

The Commission has declared five core values, where Integrity is the second value, as noted:  
"Integrity - *We lead in a straight forward and consistent manner, by making objective and well-reasoned decisions and by treating stakeholders with dignity and respect.*"

I cannot see how Exhibits A-13 and A-14 align with: "making objective and well-reasoned decisions". The commission will be acting under "orders", not from well reasoned decisions.

What is the Commission Panel to do by January 16<sup>th</sup> 2017:

1. You must follow the law, or pay the consequences.
2. You must abide by every word declared in your service plan, in order to align yourselves as stated in the public interest. - "*integrity*"
3. You must be complete, transparent, well reasoned in all facets based on the evidentiary record before you. - "*integrity*".
4. You must be true to yourselves first, then as Commissioners, then as independent oversight regulators, while serving the public interests. - "*integrity*".
5. You must recommend alternatives to the government as part of your mandate.

## 7.0 FAILURE TO FOLLOW THE FIVE STEPS

If as Commissioners you are unable to meet the criteria outlined in the five steps above, you must voluntarily resign your commission, to keep with your *integrity* in true faith.

Living with *integrity* comes at a large price, the price that we value in our governance. When governance forces one to corrupt one's *integrity*, the independence expected by the people for the people is lost within any consequential decision, rendering no value, and commanding no respect. The Government have put you in the wrong place, and you must bear the consequences thereof.

## 8.0 RECOMMENDATIONS

1. Do as ordered, without regard for ***all*** the evidence filed to date in this current hearing.
2. Revise the Regulatory Timetable to include a "Full **open oral hearing**" inclusive with a Final written argument. (no more strings and conditions).
3. The Commission Panel voluntarily resign, sending a principled message to Cabinet the Commission is not the instrument of government, but an open public regulator with *integrity*.

## 9.0 REMEMBER - YOU ASKED ME

The Commission asked me in their Exhibit A-14; "The Panel invites the applicant and registered interveners in the ICBC 2016 Revenue Requirements proceeding to make submissions as to whether or not the Panel should approve the PY 2016 Basic insurance rate change of 4.9 percent on a permanent basis."

You have no choice if you want to keep your commission, we have no choice, so my opinion in this matter is a matter of conscience and *integrity*. I have asked you questions, I would like answers. Do as you will.

Respectfully submitted,



Richard T. Landale.  
Intervener C2