

1 **Public Utilities Board PUB-FA-10:** *Please provide a detailed description of the increase in broker*
2 *activities and cost in the writing of Taxis that would justify an increase in this expense as a result of the*
3 *current application.*

4 **FA Response to PUB-FA-10:**

5 As previously noted, brokers are not compensated on a transaction basis. Broker compensation levels
6 are mandated by the Plan of Operation and have historically been set on a reasonably consistent basis
7 across jurisdictions, rating classes, and rating types, but specifically are not set at an individual
8 transaction cost basis. The levels are established so as to provide for the cost of providing the services
9 overall and measured or considered over the longer term. The compensation reflects not just activity
10 that can be directly related to specific activities, but also for costs associated with technology,
11 accounting and reporting, audit, and general management/oversight expenses, as associated with running
12 a brokerage.