



DECISION

IN THE MATTER OF an application dated April 16, 2009 by Acadian Coach Lines LP for Changes to its Rates, Tolls and Charges.

May 20, 2009

NEW BRUNSWICK ENERGY AND UTILITIES BOARD

IN THE MATTER of an application dated April 16, 2009 by Acadian Coach Lines LP for Changes to its Rates, Tolls and Charges.

New Brunswick Energy and Utilities Board:

Mr. Raymond Gorman QC, Chairman
Mr. Cyril Johnston, Vice-Chairman
Mr. Yvon Normandeau, Member
Mr. Steve Toner, Member

Ms. Lorraine R. Légère, Secretary to the Board
Mr. Doug Goss, Director of Regulatory and Finance
Mr. David Keenan, Advisor

Nova Scotia Utility and Review Board:

Mr. Roland Deveau, Member

Also present from Nova Scotia:

Ms. Anne Bonang, Court Reporter
Ms. Dona Di Quinzio, Administrative Assistant
Mr. David White, Director, NS Motor Carrier Division

Applicant:

Acadian Coach Lines LP

Solicitor:

Mr. John Stringer Q.C.
McInnes Cooper

Witnesses:

Ms. Manon Piche, VP Marketing, Sale, Communications
Acadian Bus Group.

Ms. Nancy MacRae, Accounting Manager
Acadian / Orléans Express, Maritimes

Mr. John Huneault, Director of Finance
Acadian Bus Group

DECISION

This matter arises out of an application filed by Acadian Coach Lines LP (the “Applicant” or “Acadian”) on April 16, 2009 for changes to reduce its “zones of distance” pricing structure and to vary the tariff of passenger fares on its intercity services. The matter was heard in Moncton, New Brunswick on May 20, 2009. The New Brunswick Energy and Utilities Board (the “Board”) held a concurrent hearing with the Nova Scotia Utility and Review Board (“NSUARB”) which was represented by Commissioner Roland A. Deveau.

The Board granted the order requested at the hearing and an oral decision was given. The Applicant was advised that a written decision would follow.

The holding of a concurrent hearing was approved by the Honourable Denis Landry, New Brunswick Minister of Transportation, pursuant to Section 2 (4.1) of the *Motor Carrier Act, R.S.N.B. c. M-16* and amendments thereto. By letter, dated April 21, 2009, Minister Landry stated that he was satisfied that the Board would make adequate provisions for any interested party to be heard in person, at the

Applicant's expense, at the hearing or to provide comments via toll-free telephone arrangements, all of which were advertised in advance.

The Applicant provided an Affidavit of Publication verifying that it had complied with the Board Order regarding notice of the hearing to the public.

Prior to the hearing, the Applicant filed financial documents including Balance Sheets, Income Statements, and other financial information. The Applicant also provided a PowerPoint presentation detailing the impact of the changes to the "zone of distance" pricing structure, as well as its proposed pricing strategy for the coming year. At the request of the Applicant, portions of the financial information were determined to be confidential and a redacted version of this information was prepared for the public hearing, as per the Board's 2008 tariff decision. The portion of the hearing dealing with the unredacted financial information was heard *in-camera*.

There were no intervenors present at the hearing, nor did the Board hear from any persons in opposition to the requested increase in the tariff.

The Board has considered the pre-filed evidence as well as the oral evidence of Manon Piche, VP of Marketing, Sales and Communications at the Acadian Bus Group; John Huneault, Director of Finance for Acadian Bus Group; and Nancy MacRae, the Accounting Manager for the Acadian Bus Group.

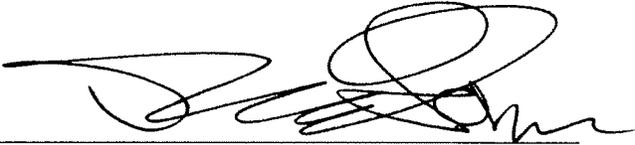
The Applicant requested an average 2.7% increase, before taxes. The Applicant has also proposed reducing the total number of “zones of distance” for New Brunswick and Nova Scotia from 52 to 32, with the first twelve zones remaining at 25 kms each, and the other zones (13 through 32) increasing from 25 kms to 50 kms. The proposed increase will result in price increases of \$1 per “zone of distance” for zones 4 to 32 with no increase for the remaining zones. All prices will be rounded to the closest dollar amount. The Applicant also indicated that all discount categories (students, seniors, children under thirteen) were to remain as presently in place.

The Board approves the Applicant’s request to reduce the number of “zones of distance” from 52 to 32. The Board notes that this change in its fare structure will harmonize the Applicant’s Maritime operations with those of its Quebec-based affiliates.

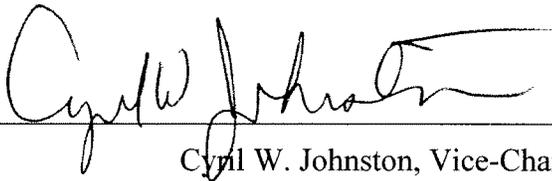
The Board is satisfied that the tariff applied for is just and reasonable and approves the tariff effective the first day of June 2009. In approving the increase in the tariff the Board noted that Acadian will not be profitable in its New Brunswick operations over the coming year even after the tariff increase is factored in. The Board took note of the increasing expenses of the Applicant, particularly the higher operating costs, wages and social benefits. The Board notes that these expenses were partially offset by lower expected fuels costs, versus 2008, but notes that the Applicant anticipates lower ridership numbers for the coming year, partly as a consequence of the lower costs associated with personal driving.

As a final matter, the Board notes that with this rate application, Acadian filed its information in a manner consistent with Board's 2007 tariff decision, placing more information in its public filing than in previous years. These changes expedited the hearing process, versus 2008, and assisted the Board in coming to a quicker decision on the matters brought before it.

Dated at the City of Saint John, New Brunswick this 20th day of May 2009.



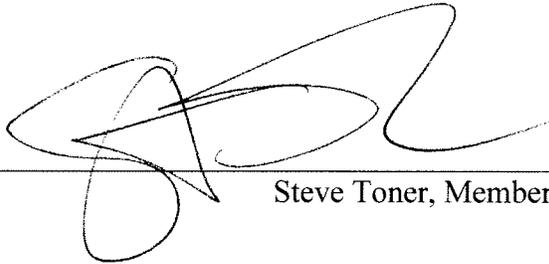
Raymond Gorman, Q.C., Chairman



Cyril W. Johnston, Vice-Chairman



Yvon Normandeau, Member



Steve Toner, Member