



DECISION

IN THE MATTER OF an application dated April 21, 2008 by Acadian Coach Lines LP for Changes to its Rates, Tolls and Charges.

June 13, 2008

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New Brunswick Energy and Utilities Board:

Mr. Raymond Gorman, 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:

Mr. John Huneault, Vice-President, Finance for Groupe Orléans Express Inc.

Ms. Denise Sirois, Products Director, Intercity Passenger Services for Groupe Orléans Express Inc.

Ms. Nancy MacRae, Accounting Manager for the Acadian Bus Group

DECISION

This matter arises out of an application filed by Acadian Coach Lines LP (the “Applicant” or “Acadian”) on April 21, 2008 for changes to vary the tariff of passenger fares on its intercity services.

The matter was heard in Amherst, Nova Scotia on June 6, 2008. 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 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 29, 2008, Minister Landry stated that he was satisfied that the Board had made 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 Income Statements, Balance Sheets and other financial information, its Business Plan for 2008 and 2009, and a PowerPoint presentation. 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. 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. There were, however, two members of the media present for the public portions of the hearing.

The Board has considered the pre-filed evidence as well as the oral evidence of John Huneault, Vice-President, Finance for Groupe Orléans Express; Denise Sirois, the Products Director, Intercity

Passenger Services for Groupe Orléans Express; and Nancy MacRae, the Accounting Manager for the Acadian Bus Group.

The Applicant requested an average 6.2% increase. The proposed increase will result in price increases of \$1 to \$5 per zone of distance for zones 1 to 52 with all prices rounded to the closest dollar amount. It is noted that prices do not include applicable taxes. It was also noted that pricing zones are related to distance travelled (each zone representing 25 km) and are not related to any specific routes. The Applicant also indicated that all discount categories (students, seniors, children under thirteen) were to remain as presently in place.

The Board is satisfied that the tariff applied for is just and reasonable and approves the tariff effective the sixteenth day of June 2008. 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 large increase in the cost of diesel fuel which, as of the hearing date, was running considerably higher than the average price forecast for the year. Additionally, the Board also took note of the

Applicant's intent to reverse its recent declines in passengers by implementing an online marketing program called *Acadian Passport*. The Applicant has dedicated funds in its Business Plan to implement this program, which is based on a successful marketing program that Groupe Orléans has used in other jurisdictions.

A considerable portion of the *in-camera* session of the hearing revolved around the issue of what information should be considered "confidential". It was the applicant's position, through its counsel, that much of the financial information could be commercially sensitive and it was, therefore, appropriate that all the financial information filed with the Board be treated as "confidential". After some discussion, the Applicant filed a redacted version of its line run income statement, on the public record. The Applicant also filed public information with the Board specifically detailing the increases in diesel fuel costs for the year-to-date. The run-up in fuel costs, year-over-year, has been substantial and was a significant factor in the Board's decision to grant the increase in the tariff.

In its tariff decision of May 2007, the Board advised the Applicant that it had concerns with respect to the filing of all of its financial documents as "confidential". In the opinion of the Board, financial

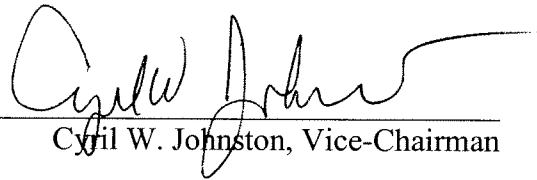
information relating specifically to the line run operation of Acadian Coach Lines LP should not be considered to be “confidential”. The Board is cognizant of the fact that the Acadian group of companies files consolidated financial information and it may be appropriate to consider portions of the consolidated information as confidential. The Board directed that Acadian, through its counsel, meet with the Board and NSUARB staff to determine, for the purpose of future hearings, an appropriate financial filing; in particular, to establish a manner in which financial information with respect to the individual Applicants can be separated from the consolidated financial reports to facilitate the filing of the relevant financial documentation in a non-confidential format. This process did not take place before this year’s hearing.

It remains the Board’s position that financial information relating specifically to the line run operations of Acadian Coach Lines LP not be considered “confidential” for the purposes of setting the tariff. With respect to the issue of the confidentiality of financial information at future hearings, the Board has directed that the Applicant meet with Board and NSUARB staff to determine an appropriate template for the filing of financial information in a non-confidential format. This process is to be complete no later than September 30, 2008.

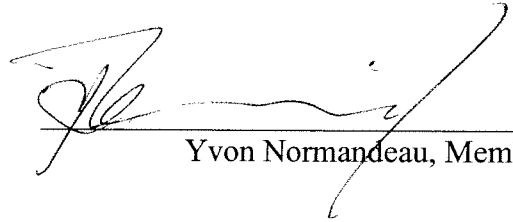
Dated at the City of Saint John, New Brunswick this 13th day of June, 2008.



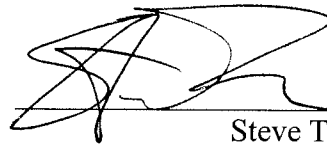
Raymond Gorman, Q.C., Chairman



Cyril W. Johnston, Vice-Chairman



Yvon Normandeau, Member



Steve Toner, Member