

NATIONAL ASSEMBLY
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1983, chapter 15

AN ACT TO AMEND THE HYDRO-QUÉBEC ACT AND THE ACT RESPECTING THE EXPORTATION OF ELECTRIC POWER

Bill 4

Introduced by Mr Yves L. Duhaime, Minister of Energy and Resources

First reading: 26 April 1983

Second reading: 14 June 1983

Third reading: 22 June 1983

Assented to: 22 June 1983

Coming into force: by proclamation of the Government

— 28 June 1983: ss. 1 to 47

G.O., 1983, Part 2, p. 2735

Acts amended:

Hydro-Québec Act (R.S.Q., chapter H-5)

Act respecting the exportation of electric power (R.S.Q., chapter E-23)





CHAPTER 15

An Act to amend the Hydro-Québec Act
and the Act respecting the exportation of electric power

[Assented to 22 June 1983]

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

c. H-5, title
replaced

1. The French title of the Hydro-Québec Act (R.S.Q., chapter H-5) is replaced by the following title:

“Loi sur Hydro-Québec”.

c. H-5, s. 4,
replaced

2. Section 4 of the said Act is replaced by the following sections:

Composition
of the board

“**4.** The affairs of the Corporation are administered by a board of directors composed of not more than seventeen members appointed by the Government for a term not exceeding five years.

Directors

The members of the board are the directors of the Corporation within the meaning of the Companies Act (R.S.Q., chapter C-38); however, they need not be shareholders.

Continuance
in office

“**4.1** After their terms expire, the members of the board of directors remain in office until they are replaced or reappointed.”

c. H-5,
s. 5, am.

3. Section 5 of the said Act is amended by replacing the first paragraph by the following paragraph:

Chairman

“**5.** The Government shall appoint a chairman of the board of directors from among the members of the board.”

c. H-5, s. 6,
repealed

4. Section 6 of the said Act is repealed.

s. H-5, s. 7,
replaced

5. Section 7 of the said Act is replaced by the following section:

Quorum

“**7.** A quorum of the board of directors is constituted by a majority of its members.”

c. H-5, s. 8,
replaced

6. Section 8 of the said Act is replaced by the following section:

President
and manag-
ing director

“8. The Government shall appoint, from among the members of the board of directors, a president and managing director, who shall hold that office on a full-time basis.

Duties

The president and managing director is responsible for the administration and management of the Corporation within the scope of its by-laws.”

c. H-5, s. 9,
replaced

7. Section 9 of the said Act is replaced by the following section:

Employment
and remuneration

“9. The Government shall fix, as the case may be, the salary, allowances, indemnities and other conditions of employment of the chairman of the board of directors, the president and managing director and the other members of the board of directors, which are paid out of the revenues of the Corporation.”

c. H-5, ss. 10,
11, repealed

8. Sections 10 and 11 of the said Act are repealed.

c. H-5, s.
11.3, replaced

9. Section 11.3 of the said Act is replaced by the following section:

Minutes

“11.3 The minutes of the sittings of the board of directors approved by it are authentic; the same rule applies to copies or extracts certified true by an officer authorized thereto by by-law of the Corporation.”

c. H-5,
s. 11.4,
repealed

10. Section 11.4 of the said Act is repealed.

c. H-5,
s. 11.5,
replaced

11. Section 11.5 of the said Act is replaced by the following section:

Coming into
force of
by-laws

“11.5 By-laws of the Corporation, except those regarding matters contemplated in paragraph *d* of subsection 2 of section 185 of the Companies Act, come into force on the date of their approval by the Government or on any later date it determines.

Confirma-
tion

The by-laws do not require to be confirmed by the shareholder.”

c. H-5, s. 21.2
replaced

12. Section 21.2 of the said Act is replaced by the following section:

Applicable
provisions

“21.2 Those provisions of Part II of the Companies Act which are not inconsistent with this Act apply to the Corporation, except sections 129, 130, 142, 159 to 162 and 190 to 196.”

c. H-5,
s. 21.3
added

13. The said Act is amended by inserting, after section 21.2, the following section:

Develop-
ment plan

“21.3 The Corporation shall establish a development plan in accordance with the form, tenor and periods fixed by the Government.

Approval

The development plan must be submitted to the Government for approval.”

c. H-5,
Div. III,
heading,
replaced

14. The heading of Division III of the said Act is replaced by the following heading:

“OBJECTS OF THE CORPORATION”.

c. H-5,
s. 22,
replaced

15. Section 22 of the said Act is replaced by the following sections:

Objects

“22. The objects of the Corporation are to supply power and to pursue endeavours in energy-related research and promotion, energy conversion and conservation, and any field connected with or related to power or energy.

Rates

“22.0.1 The rates and conditions upon which power is supplied must be consistent with sound financial management.

By-laws

The rates and conditions are fixed by by-law of the Corporation, according to the categories it determines, or by special contracts.

Approval

The by-laws and contracts are subject to the approval of the Government.”

c. H-5,
s. 22.1, am.

16. Section 22.1 of the said Act is amended by inserting the words “, in particular,” after the word “estimate” in the first line of the first paragraph.

c. H-5,
s. 23, am.

17. Section 23 of the said Act is amended by replacing the first two paragraphs by the following paragraphs:

Supplying
power to
municipal-
ities

“23. The Corporation shall supply electric power to every municipality in whose territory it does not distribute such power, that wishes to distribute such power itself, and that complies with the Electricity Municipalization Act (R.S.Q., chapter M-38), unless the municipality is in a territory which the Corporation is not at the time in a position to serve economically.

Electricity
cooperatives

It shall likewise, subject to the same proviso, in any territory wherein it does not distribute electric power, supply such power to any electricity cooperative applying to it therefor.”

c. H-5,
s. 24,
replaced

18. Section 24 of the said Act is replaced by the following section:

Rates

“24. The Corporation shall maintain its power rates at a sufficient level to defray, at least,

(1) all operating expenditures;

(2) the interest on its debt;

(3) the amortization of its fixed assets over a maximum period of fifty years.”

c. H-5,
s. 29, am. **19.** Section 29 of the said Act is amended by replacing the first paragraph by the following paragraph:

Generation
and distribu-
tion **“29.** The Corporation may generate, acquire, sell, transmit and distribute power.”

c. H-5,
s. 31, am. **20.** Section 31 of the said Act is amended by replacing the first paragraph of subsection 4 by the following paragraph:

Privilege **“(4)** The Corporation shall have a privilege for the price of power supplied for the exploitation of industrial or commercial undertakings.”

c. H-5, s. 32,
replaced **21.** Section 32 of the said Act is replaced by the following section:

Concessions
out of the
public domain **“32.** The Minister of Energy and Resources or the Minister of the Environment, each according to his competence, may, with the authorization of the Government and on the conditions it may fix, place at the disposal of the Corporation, for purposes of development, any immovables or water powers forming part of the public domain and required for the objects of the Corporation.”

c. H-5, s. 39,
replaced **22.** Section 39 of the said Act is replaced by the following section:

Acquisition
of shares **“39.** In no case may the Corporation, without the authorization of the Government, acquire or hold over 50% of the shares of another corporation or a sufficient percentage of them to elect the majority of the directors of the other corporation.

Acquisition
of shares In no case where the Corporation acquires or holds either described percentage of the shares of another corporation may that other corporation itself, without the authorization of the Government, acquire or hold either such percentage of the shares of a third corporation.

Inapplica-
bility The second paragraph does not apply to a corporation in which the Corporation holds shares on 26 April 1983.”

c. H-5,
s. 39.1,
replaced **23.** Section 39.1 of the said Act is replaced by the following section:

Object of
the Société
d'énergie de
la Baie
James **“39.1** The Société d'énergie de la Baie James, a company incorporated by letters patent issued by the Lieutenant-Governor in virtue of section 21 of the James Bay Region Development Act (R.S.Q., chapter D-8), and hereinafter called “the company”, has, as its object, the pursuit, on behalf of the Corporation, of hydro-electric resources development works in the basin of the La Grande river and in the adjoining basins for Phase I of the Complexe La Grande, that is, the laying out of the sites of the LG2, LG3 and LG4 stations and the diversion works for the Caniapiscaw, Eastmain, Opinaca and Petite Opinaca rivers.

Objects Its objects are also those conferred on it by its letters patent; such letters patent may be amended by supplementary letters patent granted under Part I of the Companies Act.”

c. H-5, s. 39.2, replaced **24.** Section 39.2 of the said Act is replaced by the following section:

Issued shares “**39.2** All the shares issued by the company are held by the Corporation, which has the exercise of all the rights attached to them.”

c. H-5, s. 39.4, repealed **25.** Section 39.4 of the said Act is repealed.

c. H-5, s. 39.5, replaced **26.** Section 39.5 of the said Act is replaced by the following sections:

Board of directors “**39.5** The affairs of the company are administered by a board of directors composed of not more than nine members appointed by the Corporation for a term not exceeding two years.

Directors The members of the board are the directors of the company within the meaning of the Companies Act; however, they need not be shareholders.

Continuance in office “**39.5.1** On the expiration of their terms, the directors remain in office until they are replaced or reappointed.”

c. H-5, ss. 39.6, 39.7, repealed **27.** Sections 39.6 and 39.7 of the said Act are repealed.

c. H-5, s. 39.8, replaced **28.** Section 39.8 of the said Act is replaced by the following section:

Inapplicability “**39.8** The operations of the company in the territory described in the schedule to the James Bay Region Development Act are not governed by the Act respecting the Régie de l’électricité et du gaz (R.S.Q., chapter R-6), the Act respecting the Régie des services publics (R.S.Q., chapter R-8), the Watercourses Act (R.S.Q., chapter R-13) or the Transport Act (R.S.Q., chapter T-12).”

c. H-5, s. 39.9, repealed **29.** Section 39.9 of the said Act is repealed.

c. H-5, s. 39.10, replaced **30.** Section 39.10 of the said Act is replaced by the following section:

Applicable provisions “**39.10** Sections 17 to 19 apply, *mutatis mutandis*, to the company and to the members of its board of directors.”

c. H-5, s. 48.1, added **31.** The said Act is amended by inserting, after section 48, the following section:

Inapplicability “**48.1** The operations of the Corporation in the territory described in the schedule to the James Bay Region Development Act are not

governed by the Act respecting the Régie de l'électricité et du gaz, the Act respecting the Régie des services publics, the Watercourses Act or the Transport Act."

c. H-5,
s. 60,
replaced

32. Section 60 of the said Act is replaced by the following section:

Transfer
agreements

"**60.** The Corporation may make an agreement with any government, corporation, association or body having a retirement plan, to facilitate reciprocal transfers of their employees and to determine the terms and conditions of such transfers for purposes of retirement."

c. E-23,
title, re-
placed

33. The French title of the Act respecting the exportation of electric power (R.S.Q., chapter E-23) is replaced by the following title:

"Loi sur l'exportation de l'électricité".

c. E-23,
Div. I,
heading,
repealed

34. The said Act is amended by striking out the heading

"DIVISION I

EXPORTATION OUTSIDE OF CANADA"

preceding section 1.

c. E-23, ss. 1,
2, replaced

35. Sections 1 and 2 of the said Act are replaced by the following sections:

Clause pro-
hibiting
export

"**1.** Every lease, sale or grant of water powers which belong to Québec or in which it has rights of ownership or other rights shall contain a clause prohibiting the exportation of electric power from Québec.

Clause pro-
hibiting
export

"**2.** Every contract, permit or grant authorizing the installation or passage of transmission lines in or over the public domain shall likewise contain a clause prohibiting the exportation of electric power from Québec."

c. E-23,
s. 4, am.

36. Section 4 of the said Act is amended by replacing the word "division" in the first line by the word "Act".

c. E-23,
s. 5,
replaced

37. Section 5 of the said Act is replaced by the following section:

Applica-
bility

"**5.** This Act applies to a lease, contract, permit or grant in force on 28 June 1983 only from the renewal or extension of the lease, contract, permit or grant, where such is the case."

c. E-23, s. 6,
replaced, ss.
6.1, 6.2, added

38. Section 6 of the said Act is replaced by the following sections:

Authoriza-
tion to
export

"**6.** Notwithstanding sections 1 and 2, the Government may, on such conditions as it may determine, authorize any contract for the exportation of electric power from Québec.

Authoriza-
tion

“6.1 Every contract relating to the exportation of electric power by Hydro-Québec must be submitted to the Government for authorization and is subject to such conditions as the Government may then determine.

Tabling

“6.2 An order passed under section 6 or section 6.1 must be tabled in the National Assembly within fifteen days of its passage if the Assembly is in session or, if it is not sitting, within fifteen days of the opening of the next session or resumption.”

c. E-23,
Div. II,
heading,
repealed

39. The said Act is amended by striking out the heading

“DIVISION II

EXPORTATION OUT OF QUÉBEC”

preceding section 7.

c. E-23,
ss. 7, 8,
repealed
c. E-23, s. 9,
replaced

40. Sections 7 and 8 of the said Act are repealed.

41. Section 9 of the said Act is replaced by the following section:

Minister
responsible

“9. The Minister of Energy and Resources is responsible for the administration of this Act.”

c. E-23,
Div. III,
repealed

42. The said Act is amended by striking out the heading

“DIVISION III

SPECIAL PROVISION”

preceding section 10.

Continuance
in office

43. The members of the board of directors of Hydro-Québec and those of the Société d'énergie de la Baie James in office on 28 June 1983 remain in office until they are replaced or reappointed.

Regulations
in force

44. The regulations made under any provision of the Hydro-Québec Act that is amended or repealed remain in force to the extent that they are consistent with this Act; they may be amended or repealed under the Hydro-Québec Act.

Presumption

45. The exportation of electricity by Hydro-Québec pursuant to contracts made before 28 June 1983 is and always has been valid. Those contracts are deemed to have been made in accordance with the Act respecting the exportation of electric power.

Declaratory
section

This section is declaratory.

Exception

46. This Act shall operate notwithstanding the provisions of sections 2 and 7 to 15 of the Constitution Act, 1982 (Schedule B of the Canada Act, chapter 11 in the 1982 volume of the Acts of the Parliament of the United Kingdom).

Coming into
force

47. This Act will come into force on the date fixed by proclamation of the Government, except those provisions excluded by such proclamation, which will come into force on such later dates as are fixed by proclamation of the Government.