

NATIONAL ASSEMBLY OF QUÉBEC
Thirty-second Legislature, Third session

1981, chapter 18

AN ACT TO AMEND THE HYDRO-QUÉBEC ACT

Bill No. 16

Introduced by Mr Yves Duhaime

First reading: 12 June 1981

Second reading: 7 December 1981

Third reading: 19 December 1981

Assented to: 19 December 1981

Coming into force: 19 December 1981

Act amended:

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



Éditeur officiel
Québec



CHAPTER 18

An Act to amend the Hydro-Québec Act

[Assented to 19 December 1981]

HER MAJESTY, with the advice and consent of the National Assembly of Québec, enacts as follows:

R.S.Q.,
c. H-5,
ss. 3.1-3.5,
added.

1. The Hydro-Québec Act (R.S.Q., chapter H-5) is amended by inserting, between sections 3 and 4, the following sections:

Joint stock
company.

3.1 As of 19 December 1981, the Corporation shall continue to exist as a joint stock company.

Capital.

3.2 The authorized capital of the Corporation is \$5 000 000 000. It is divided into 50 000 000 shares of a par value of \$100 each.

Public do-
main.

3.3 The shares of the Corporation are part of the public domain of Québec, and are allotted to the Minister of Finance.

Payment of
shares.

3.4 The total of the reserves for amortization of capital invested, contingencies and rate stabilization of the Corporation as of 31 December 1980, in the amount of \$4 374 109 000, is allocated to the full payment of 43 741 090 shares of the Corporation.

Additional
shares.

3.5 The Government may, on such conditions as it may determine, authorize, from time to time, the Minister of Finance to pay, out of the consolidated revenue fund, such additional number of shares as the Government may fix, up to the authorized capital of the Corporation.”

R.S.Q.,
c. H-5,
s. 11.5,
added.

2. The said Act is amended by inserting, between sections 11.4 and 12, the following section:

Confir-
mation
unre-
quired.

“**11.5** By-laws passed under this Act do not require to be confirmed by the shareholder.”

R.S.Q.,
c. H-5,
ss. 15.1-
15.7,
added.
Decla-
ration of
dividends.

3. The said Act is amended by inserting, between sections 15 and 16, the following sections:

“**15.1** The dividends to be paid by the Corporation are declared once each year by the Government within thirty days after the transmission by the Corporation to the Government of the financial data relative to the distributable surplus. They are payable according to the terms and conditions determined by the Government. They cannot exceed, for a particular financial period, the distributable surplus as hereinafter established.

Distrib-
utable sur-
plus.

“**15.2** The distributable surplus for a particular financial period is equal to 75% of the total of the net operating income of the Corporation and of its net investment income for the same period, less the gross interest expenditure for the same period. Such income and expenditure are computed on the basis of the annual consolidated financial statements of the financial situation of the Corporation, according to generally accepted accounting principles.

Restric-
tion.

However, no dividend may be declared in respect of a financial period if the payment thereof would result in a reduction of the rate of capitalization of the Corporation to less than 25% at the end of that period.

Gross in-
terest ex-
penditure.

“**15.3** The gross interest expenditure is the sum of the interest on the long-term debt, the interest on bank indebtedness and notes payable, and the amortization of debenture discount and expenses of the Corporation.

Rate of
capital-
ization.

“**15.4** The rate of capitalization at the end of a financial period is the ratio between the total amount of the paid-up capital of the Corporation and its accumulated surplus, less the dividend declared in respect of that period, and the total amount of its long-term debt, its paid-up capital and its accumulated surplus, less the dividend declared in respect of the same financial period.

Establish-
ment of
rate.

“**15.5** For the establishment of the rate of capitalization of the Corporation at the end of a financial period, the long-term debt includes all liabilities of the Corporation for which the contract term is more than twelve months, less the sinking funds; it also includes all notes payable. Furthermore, every loan contracted in foreign currency must be considered by taking into account the exchange rate applicable according to generally accepted accounting principles.

Undistributable surplus.

“15.6 On the expiry of the time prescribed in section 15.1, any distributable surplus or part thereof which has not been declared as a dividend is no longer distributable to the shareholder as a dividend.

Provisional payments.

“15.7 The Corporation, at the request of the Government, shall make provisional payments for a total amount that may in no case exceed the lesser of the following amounts: the dividend declared for the preceding financial period, and the distributable surplus projected from time to time by the Corporation for the current financial period.

Overpayment of dividend.

Should the total of the provisional payments made by the Corporation in respect of a financial period exceed the dividend declared for that financial period pursuant to section 15.1, the Minister of Finance shall repay the excess amount to the Corporation.”

R.S.Q., c. H-5, s. 16, am.

4. Section 16 of the said Act is amended by adding, at the end, the following paragraph:

Capital tax.

“However, the Corporation shall, for itself and for its subsidiaries, pay, on its consolidated capital, the capital tax provided for in Part IV of the Taxation Act.”

R.S.Q., c. H-5, s. 21.2, added.

5. The said Act is amended by inserting, between sections 21.1 and Division III, the following section:

Companies Act inapplicable.

“21.2 The Companies Act (R.S.Q., chapter C-38) does not apply to the Corporation.”

R.S.Q., c. H-5, s. 22, replaced.

6. Section 22 of the said Act is replaced by the following section:

Object to supply power.

“22. The object of the Corporation is to supply power to the municipalities, industrial or commercial undertakings and citizens of Québec.

Rates and conditions.

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

Rates and conditions.

The rates and conditions shall be fixed by by-law of the Corporation for each category of customers or determined by special contracts between the Corporation on the one hand and municipalities, electricity cooperatives or industrial or commercial undertakings, as the case may be, on the other. Such by-laws and contracts are subject to the approval of the Government.”

R.S.Q., c. H-5, s. 22.1, am.

7. Section 22.1 of the said Act is amended by adding, at the end, the following paragraph:

Energy
conserva-
tion.

“The Corporation may implement energy conservation programs; to that end, it may grant technical or financial assistance.”

R.S.Q.,
c. H-5,
s. 24,
replaced.

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

Level of
rates.

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

(1) all operating expenditures;

(2) interest on its debt;

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

R.S.Q.,
c. H-5,
s. 25,
repealed.

9. Section 25 of the said Act is repealed.

R.S.Q.,
c. H-5,
s. 40, am.
No other
impost.

10. Section 40 of the said Act is amended by replacing the second paragraph by the following paragraph:

“Subject to the second paragraph of section 16, it shall not be subject to any other impost.”

Coming
into force.

11. This Act comes into force on the day of its sanction.