



CHAPTER 41

An Act to amend the Hydro-Québec Act and the James Bay
Region Development Act

[Assented to 13 June 1978]

HER MAJESTY, with the advice and consent of the Assemblée
nationale du Québec, enacts as follows:

Interpre-
tation.

1. The Hydro-Québec Act (Revised Statutes, 1964, chapter 86) is amended by replacing the word “Commission” wherever it occurs by the word “Corporation”.

R.S., c. 86,
s. 1,
replaced.

2. Section 1 of the said act is replaced by the following section:

Interpreta-
tion:

1. In this act, unless the context indicates otherwise,

“Corpora-
tion”;

(1) “Corporation” means Hydro-Québec;

“Régie”;

(2) “Régie” means the Régie de l’électricité et du gaz;

“Minister”;

(3) “Minister” means the minister entrusted with the applica-
tion of this act by designation of the Lieutenant-Governor in
Council;

“power” or
“energy”.

(4) “power”, or “energy”, means electricity, gas, steam and
any other form of energy, hydraulic, thermic or other.”

R.S., c. 86,
s. 3, am.

3. Section 3 of the said act is amended by adding at the end
the following paragraph:

Name of
the Cor-
poration.

“As of 1 October 1978, the Corporation shall be designated
under the name of “Hydro-Québec”, only.”

R.S., c. 86,
ss. 4-11,
replaced.

4. Sections 4 to 11 of the said act are replaced by the follow-
ing sections:

Composi-
tion of
the board
of directors.

4. The affairs of the Corporation shall be administered by a
board of directors composed of the following members:

(a) nine members appointed by the Lieutenant-Governor in Council for a term not exceeding five years;

(b) the president and managing director of the Corporation contemplated in section 8;

(c) the president and managing director of the Société d'énergie de la Baie James contemplated in section 40g.

Office continued. After their terms expire, the members of the board of directors remain in office until they are replaced or reappointed.

Chairman. **"5.** The Lieutenant-Governor in Council shall appoint a chairman of the board from among the members contemplated in subparagraph *a* of the first paragraph of section 4.

Duties of the chairman. The chairman of the board of directors shall preside the meetings of the board of directors and see to its operation. He is responsible for communications between the Corporation and the Government and he shall assume the other functions assigned to him by by-law of the board of directors.

Meetings. **"6.** The board of directors shall meet at least once a month.

Quorum. **"7.** Five members are a quorum of the board of directors.

President and managing director. **"8.** The Lieutenant-Governor in Council shall appoint, for a term not exceeding five years, a president and managing director of the Corporation, who shall hold that office on a full time basis.

Duties. The president and managing director of the Corporation is responsible for the administration and management of the Corporation within the scope of the by-laws passed by the board of directors.

Salary, etc., fixed by Lt.-G. in C. **"9.** The Lieutenant-Governor in Council shall fix, as the case may be, the salary, additional salary, allowances or indemnities to which the chairman of the board, the president and managing director of the Corporation and the other members of the board of directors are entitled.

Vice-presidents, secretary, treasurer, etc. **"10.** The board of directors may appoint vice-presidents, a secretary and a treasurer to the Corporation and any other officer or employee required for the current operations of the Corporation, fix their salaries or remuneration, define their functions, and retain the services of experts on such conditions as it may consider appropriate.

Salaries and expenditures paid by the Corporation.

“11. The salaries, allowances and indemnities of the members of the board of directors of the Corporation, those of its personnel and all other expenditures of the Corporation are paid out of its revenues.

Corporate seat.

“11a. The corporate seat of the Corporation shall be in the city of Montreal.

Appointment of substitutes by Lt-G. in C.

“11b. In the case of absence, illness or incapacity to act of the chairman or a member of the board of directors, the Lieutenant-Governor in Council may appoint a substitute, who then has the same powers as the person for whom he is substituted.

Minutes.

“11c. The minutes of the sittings of the board of directors approved by it are authentic, and the same rule applies to copies or extracts approved by the secretary or a deputy secretary of the Corporation.

By-laws.

“11d. The board of directors may, by by-law,

(a) establish committees for the examination of questions determined by it and, if necessary, confer on them the exercise of certain powers;

(b) determine the functions and powers of the chairman of the board, the president and managing director, the vice-presidents and the other officers and employees of the Corporation;

(c) regulate, generally, the exercise of the powers and the internal management of the Corporation.

Coming into force.

Such by-laws come into force on the date of their approval by the Lieutenant-Governor in Council or on any later date determined by him.”

R.S., c. 86, s. 15, replaced.

5. Section 15 of the said act, replaced by section 2 of chapter 34 of the statutes of 1969, is again replaced by the following section:

Immunity.

“15. The members of the board of directors cannot be sued by reason of official acts done in good faith in the exercise of their functions.

Recourses prohibited.

No extraordinary recourse contemplated in articles 834 to 850 of the Code of Civil Procedure may be exercised and no injunction may be granted against the Corporation or the members of its board of directors acting in their official capacity.

Art. 33 of C.C.P., not applicable.

Article 33 of the Code of Civil Procedure does not apply to the Corporation.”

R.S., c. 86, s. 17, replaced.

6. Section 17 of the said act, amended by section 3 of chapter 34 of the statutes of 1969, is replaced by the following section:

Conflict of interest. **“17.** No member of the board of directors holding a full-time office with the Corporation or one of its subsidiaries may, under pain of forfeiture of his office, have any direct or indirect interest in an undertaking putting his personal interest in conflict with that of the Corporation. However, such forfeiture is not incurred if that interest devolves to him by succession or gift, provided that he renounces or disposes of it with all possible dispatch.

Interest disclosed. Every other member of the board of directors who has an interest in an undertaking must, on pain of forfeiture of his office, divulge such interest in writing to the chairman of the board, and abstain from participating in any decision pertaining to an undertaking in which he has an interest.

Shares held by directors. A member of the board of directors may hold the shares required to qualify him to be a director of a company of which the Corporation has acquired shares under section 40 or of Churchill Falls (Labrador) Corporation Limited.”

R.S., c. 86, s. 21, added. **7.** The said act is amended by inserting, after section 20, the following section:

Information to Minister. **“21.** The Corporation shall furnish the Minister with all such information as he may require on its activities or those of its subsidiaries.”

R.S., c. 86, s. 22a, added. **8.** The said act is amended by inserting, after section 22, the following section:

Needs in energy. **“22a.** To attain its objects, the Corporation shall estimate the needs of Québec in energy and the means of meeting them within the scope of the energy policies that the Lieutenant-Governor in Council may otherwise establish.”

R.S., c. 86, s. 27a, added. **9.** The said act is amended by inserting, after section 27, the following section:

Provision not applicable. **“27a.** The second paragraph of section 3 does not apply to certificates issued in replacement of notes, bonds, debentures and other negotiable instruments in respect of loans made before 1 October 1978.”

R.S., c. 86, s. 29, am. **10.** Section 29 of the said act is amended by replacing the last paragraph by the following paragraphs:

Authorization required. **“Nevertheless,** the construction of immoveables by the Corporation must first be authorized by the Lieutenant-Governor in Council in such cases as he may determine.

Leasing
and aliena-
tion of im-
moveables.

The Corporation may convey any immovable by emphyteutic lease whenever required by its operations, or alienate any immovable no longer required for the pursuit of its operations.

Adviser in
production,
etc., of
energy.

The Corporation itself, or through a subsidiary incorporated under the Companies Act, alone or in association with other persons, may act as adviser in the fields of production, transmission and distribution of energy and provide services relating to its technical expertness and to the experience it has acquired in those fields, in connection with work or services intended to be carried out or utilized outside Québec.”

R.S., c. 86,
s. 33, am.

11. Section 33 of the said act, amended by section 1 of chapter 33 of the statutes of 1965 (1st session), is again amended:

- (a) by striking out paragraph 1 of the first paragraph;
- (b) by striking out the third paragraph.

Id., ss. 40a-
40j, added.

12. The said act is amended by inserting, after section 40, the following:

“DIVISION VA

“SOCIÉTÉ D'ÉNERGIE DE LA BAIE JAMES

Object of
the Société
d'énergie
de la Baie
James.

“**40a.** 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, 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 the Complexe La Grande, and, at the request of the Corporation, the carrying out, in accordance with the terms and conditions agreed upon by them, of such engineering, construction and management works in connection with hydro-electric installations, power lines, stations or other large-scale projects as may be entrusted to it by the Corporation.

Issued
shares
owned by
Hydro-
Québec.
Powers.

“**40b.** All the shares issued by the company are held by the Corporation.

“**40c.** The company has the powers of a company incorporated under Part I of the Companies Act (Revised Statutes, 1964, chapter 271) and is governed by that Part except where inconsistent with this act.

Objects,
powers,
etc.,
amended.

“**40d.** On the petition of the company, the Lieutenant-Governor in Council, by supplementary letters patent, may amend the objects, powers, capital stock and other matters affecting its

letters patent, provided that these supplementary letters patent are not inconsistent with the applicable provisions of this act.

Notice. Notice of these supplementary letters patent is then published in the *Gazette officielle du Québec*.

The directors of Hydro-Québec are directors of the company. Terms of office.

“40e. The members of the board of directors of the Corporation are the directors of the company within the meaning of the Companies Act, but need not be shareholders.

Their term of office is that fixed under subparagraph *a* of the first paragraph of section 4.

Office continued.

On the expiration of their term, the directors remain in office until they are replaced or reappointed.

Chairman, *ex officio*.

“40f. The chairman of the board of directors of the Corporation is, *ex officio*, chairman of the board of directors of the company.

President and managing director.

“40g. The Lieutenant-Governor in Council shall appoint, for a period not exceeding five years, a president and managing director of the company, who shall hold that office on a full time basis.

Salary paid by the company.

The salary and allowances of the president and managing director are fixed by the Lieutenant-Governor in Council and are paid out of the funds of the company.

Provisions not applicable to operations of the company.

“40h. The operations of the company in the territory described in the schedule to the James Bay Region Development Act (1971, chapter 34) are not governed by the Watercourses Act (Revised Statutes, 1964, chapter 84), the Electricity and Gas Board Act (Revised Statutes, 1964, chapter 87), the Water Board Act (Revised Statutes, 1964, chapter 183), the Transportation Board Act (Revised Statutes, 1964, chapter 228), the Transport Act (1972, chapter 55) or the Public Service Board Act (Revised Statutes, 1964, chapter 229).

Protection of the environment.

“40i. The company must conduct its operations while safeguarding the natural environment, preventing pollution, and giving priority to Québec interests.

Provisions applicable.

“40j. Sections 8, 11b, 15, 16 and 17 apply, *mutatis mutandis*, to the board of directors of the company.”

R.S., c. 86, s. 51a, added.

13. The said act is amended by inserting, after section 51, the following section:

Retirement plan amended.

“51a. The board of directors may, by by-law, amend the retirement plan to grant the members of the Commission hydro-électrique de Québec appointed between 30 June 1973 and 1 October 1978 who cease to participate in the retirement plan the

option of an immediate or of a deferred retirement pension, together with the other benefits provided for in that retirement plan.”

R. S., c. 86,
s. 64,
added.

14. The said act is amended by adding, after section 63, the following section:

Minister re-
sponsible.

“64. The Minister is responsible for the application of this act.”

1969, c. 34,
s. 5,
repealed.

15. Section 5 of the Act to amend the Hydro-Québec Act (1969, chapter 34) is repealed.

1971, c. 34,
s. 4,
replaced.

16. Section 4 of the James Bay Region Development Act (1971, chapter 34) is replaced by the following section:

Objects.

“4. The objects of the Corporation are to promote the development and exploitation of natural resources other than hydro-electric resources in the territory described in the schedule, hereinafter called the “Territory”, to carry out such development and exploitation in accordance with this act, and to see to the administration and management of that Territory in accordance with this act and the other statutes of Québec, in order to promote the development of the Territory by the Corporation, its subsidiaries and other agents of economic and industrial activity, giving priority to Québec interests.”

1971, c. 34,
s. 6, am.

17. Section 6 of said act is amended by replacing paragraph *b* by the following paragraph:

“(b) acquire for public works by expropriation, for itself or for a subsidiary, any immovable or other real right in the Territory;”.

18. Section 8 of the said act is replaced by the following section:

Board of
directors.

“8. The affairs of the Corporation are administered by a board of directors of five members, including the president, appointed by the Lieutenant-Governor in Council; the president is appointed for a period not to exceed twelve years and the four other members are appointed for a period not to exceed ten years for one of them, eight years for another, six years for another and four years for the last; one of such members must be a member of the board of directors of Hydro-Québec. When the term of office of the president or of another member is fixed, it shall not be reduced thereafter. They are the directors of the Corporation within the meaning of the Companies Act.”

1971, c. 34,
ss. 16, 17,
replaced.

19. Sections 40*a* to 40*i* of the Hydro-Québec Act, enacted by section 12 of this act, replace sections 16 and 17 of the James Bay Region Development Act, which are repealed.

1971, c. 34,
s. 19, am. **20.** Section 19 of the said act is amended by replacing the second paragraph by the following paragraphs:

Terms of
office. “The term of office of each member of the board shall be determined by the Lieutenant-Governor in Council; it shall not exceed five years but, once fixed, it shall not be reduced thereafter.

Inability
to act. When a member of the board of directors is unable to act, he may be replaced by a person appointed by the Lieutenant-Governor in Council to perform his duties while he remains unable to act.”

1971, c. 34,
s. 21, am. **21.** Section 21 of the said act is amended by replacing subsection 4 by the following subsection:

Objects,
powers,
etc.,
amended. “(4) Upon petition by a corporation incorporated under this Part, the Lieutenant-Governor, by supplementary letters patent, may amend the objects, powers, capital stock and other matters affecting the letters patent of that corporation provided that they are not inconsistent with the applicable provisions of sections 18 to 20. Notice of these supplementary letters patent is then published in the *Gazette officielle du Québec*.”

1971, c. 34,
s. 23,
replaced. **22.** Section 23 of the said act is replaced by the following section:

“subsidi-
ary”. **23.** Every company contemplated in section 18 is designated in this act by the name “subsidiary”.

Duties. Every subsidiary shall carry on its operations in accordance with this act and the other statutes of Québec, in order to promote the development of the Territory by the subsidiary and the other agents of economic and industrial activity, giving priority to Québec interests. Section 5 applies to every subsidiary.”

1971, c. 34,
s. 26, am. **23.** Section 26 of the said act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

“(a) guarantee payment in capital and interest of any loan of the Corporation or of a subsidiary contemplated in paragraphs *a* to *c* of section 18, or in which it holds at least ninety per cent of the shares, and the performance of any obligation of the Corporation or of any such subsidiary;”.

Id., s. 30,
replaced. **24.** Section 30 of the said act is replaced by the following section:

Immove-
able con-
veyed or
transferred
by Lt-G.
in C. **30.** The Lieutenant-Governor in Council may convey and transfer to the Corporation or to any subsidiary contemplated in paragraphs *a* to *c* of section 18, or to a subsidiary in which it

holds at least ninety per cent of the shares, on such conditions as he shall determine, any immovable or other property forming part of the public domain required for the purposes of the Corporation or of such subsidiaries.”

1971, c. 34,
s. 31,
replaced. **25.** Section 31 of the said act is replaced by the following section:

Immove-
able con-
veyed or
transferred
by Corpo-
ration.

“31. The Corporation may, at will, convey or transfer by sale or otherwise to a subsidiary contemplated in paragraphs *a* to *c* of section 18 or to a subsidiary in which it holds at least ninety per cent of the shares, any immovable it holds after acquiring it through expropriation or otherwise; it may also dispose of it to other persons provided that this is done with the authorization of the Lieutenant-Governor in Council and by sale at auction or by public tender.”

1971, c. 34,
s. 41, am. **26.** Section 41 of the said act is amended by adding, at the end, the following paragraph:

Advice not
required
for grant
from public
domain.

“However, this advice is not required in the case of the grant of the public domain in the Territory to Hydro-Québec or to the Société d’énergie de la Baie James for the purposes of development of hydro-electric resources or of production, transmission or distribution of electricity.”

Assets of
Société
d’énergie
de la Baie
James
transferred
to Hydro-
Québec.

27. The assets acquired by the Société d’énergie de la Baie James in the territory described in the schedule to the James Bay Region Development Act (1971, chapter 34) for the development of hydro-electric resources in the basin of the La Grande river and in parts of the adjoining basins for the Complexe La Grande are transferred to Hydro-Québec on the dates and on the terms and conditions established by agreement between the two corporations. The same provision applies to the transfer of those rights and obligations of the Société d’énergie de la Baie James which are necessary for the implementation of this act.

Interpreta-
tion.

28. Subject to section 27*a* of the Hydro-Québec Act, in any act, proclamation, order in council, contract or document, the expression “Commission hydroélectrique de Québec”, or Québec Hydro-Electric Commission”, is replaced by the expression “Hydro-Québec”.

Members
of Com-
mission
hydroélec-
trique
considered
officers.

29. Those members of the Commission hydroélectrique de Québec appointed before 1 July 1973, in office on 1 October 1978 and governed by the Civil Service Superannuation Plan (Revised Statutes, 1964, chapter 14) who are appointed members of the board of directors of the Corporation, continue to be

considered officers within the meaning of that act for the duration of their terms of office, provided that they pay the contribution described in section 52 of the said act.

Immediate pension. The other members of the Commission appointed before 1 July 1973, in office on 1 October 1978 and governed by the Civil Service Superannuation Plan are entitled to receive a pension immediately, together with the other benefits provided for in that Superannuation Plan.

Regulations and by-laws to remain in force. **30.** The regulations and by-laws of the Commission hydro-électrique de Québec and of the Société d'énergie de la Baie James remain in force to the extent that they conform to this act, until they are repealed, replaced or amended by regulations or by-laws under this act.

Coming into force (1 Oct. 1978, G.O., p. 4331). **31.** This act will come into force on the date to be fixed by proclamation of the Government, except the provisions excluded by that proclamation, which will come into force, in whole or in part, on such later date as may be fixed by proclamation of the Government.