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# NATIONAL ASSEMBLY

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SECOND SESSION

THIRTY-FIFTH LEGISLATURE

Bill 50

(1996, chapter 61)

**An Act respecting the Régie de l'énergie**

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**Introduced 22 October 1996**

**Passage in principle 19 November 1996**

**Passage 19 December 1996**

**Assented to 23 December 1996**

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## EXPLANATORY NOTES

*This bill establishes the Régie de l'énergie, a board which will have jurisdiction to fix, after holding public hearings, the rates and conditions governing the supply and transmission of electric power by Hydro-Québec, except under such special contracts for the supply of electric power as the Government may determine, and the rates and conditions governing the transmission, delivery and supply of natural gas by natural gas distributors, and gas storage. Further duties of the Régie as regards Hydro-Québec and natural gas distributors include monitoring their operations to ensure that consumers are adequately supplied and are charged fair and reasonable rates, approving their resource plans, determining their rates of return and authorizing their investment projects. The criteria to be considered by the Régie in fulfilling such duties are specified in the bill.*

*Exportation of electric power by Hydro-Québec is to come under the purview of the Régie, to the extent determined by the Régie. The authorization of the Government will continue to be required, in the cases determined by the Government, in respect of contracts for the exportation of electric power by private producers and in respect of power and energy contracts under which Hydro-Québec cannot interrupt delivery unilaterally.*

*Hydro-Québec is granted exclusive rights for the distribution of electric power throughout Québec, excluding the territories served by distributors operating a municipal or private system. Municipal systems are also granted exclusive electric power distribution rights within the territory they serve.*

*It is to be within the exclusive jurisdiction of the new Régie to examine complaints from consumers who are dissatisfied with a decision made by an electric power or natural gas distributor concerning rates or service conditions. Every distributor is to be required to establish an in-house procedure for the examination of consumer complaints. Moreover, the Régie will be responsible for monitoring the prices of steam and petroleum products so as to be able to provide information to consumers.*

*As regards the sale of gasoline and diesel fuel, the Régie will have the power to fix, for the purposes of the presumption concerning*

*sale price introduced into the Act respecting the use of petroleum products by the bill, an amount representing the operating costs of a retailer.*

*In addition, the Régie is given advisory functions and powers of inspection and inquiry.*

*Financial measures providing for the funding of the Régie are also included in the bill as are a number of technical and transitional provisions, notably concerning the determination of Hydro-Québec power rates until the coming into force of Chapter IV of the Act, as well as amendments for concordance allowing for the establishment of the new regulatory body.*

**LEGISLATION AMENDED BY THIS BILL :**

- Act respecting the exportation of electric power (R.S.Q., chapter E-23);
- Hydro-Québec Act (R.S.Q., chapter H-5);
- Consumer Protection Act (R.S.Q., chapter P-40.1);
- Act respecting the process of negotiation of the collective agreements in the public and parapublic sectors (R.S.Q., chapter R-8.2);
- Act respecting the Civil Service Superannuation Plan (R.S.Q., chapter R-12);
- Act respecting municipal and private electric power systems (R.S.Q., chapter S-41);
- Act respecting the use of petroleum products (R.S.Q., chapter U-1.1);
- Act respecting Northern villages and the Kativik Regional Government (R.S.Q., chapter V-6.1);
- Act respecting the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville and repealing the Act to promote rural electrification by means of electricity cooperatives (1986, chapter 21).

**LEGISLATION REPEALED BY THIS BILL :**

- Act respecting the examination of complaints from customers of electricity distributors (R.S.Q., chapter E-17.1);
- Act respecting the Régie du gaz naturel (R.S.Q., chapter R-8.02).



## Bill 50

### AN ACT RESPECTING THE RÉGIE DE L'ÉNERGIE

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

#### CHAPTER I

#### APPLICATION

**1.** This Act applies to the production, transmission, distribution and supply of electric power and to the transmission, distribution, supply and storage of natural gas delivered or intended for delivery by pipeline to a consumer.

This Act also applies to any other energy matter to the extent provided for herein.

**2.** In this Act, unless the context indicates otherwise,

“electric power distributor” means Hydro-Québec or a distributor operating a municipal or private electric power system governed by the Act respecting municipal and private electric power systems (R.S.Q., chapter S-41), including the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville governed by the Act respecting the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville and repealing the Act to promote rural electrification by means of electricity cooperatives (1986, chapter 21);

“electric power distribution system” means a network of installations for the supply of electric power from distribution substations, including medium-voltage and low-voltage distribution lines, any equipment located between such lines and consumption meters, as well as consumption meters;

“electric power production equipment” means all works, machinery and equipment used in the production of electric power;

“electric power transmission system” means a network of installations for the conveyance of electric power, including high-voltage transmission lines and secondary-transmission substations and transmission substations and excluding the production equipment and the electric power distribution system;

“energy” means electric power, natural gas, steam, petroleum products and any other form of energy, hydraulic, thermic or other;

“natural gas” means methane in gaseous or liquid form;

“natural gas distribution system” means a network of conduits, equipment, apparatus, structures, gas meters, meters and other devices and accessories for the supply, transmission or delivery of natural gas in a given territory, excluding any gas pipe or line installed in, under or on the outer surface of a house, plant, building or other structure of a consumer ;

“natural gas distributor” means a person or partnership holding exclusive natural gas distribution rights or exercising such rights as lessee, trustee, liquidator or trustee in bankruptcy or in any other capacity ;

“petroleum products” means a mixture of hydrocarbons used as motor fuel, heating oil or lubricant, except liquefied gas ;

“petroleum products distributor” means anyone who supplies a retailer of petroleum products ;

“steam distributor” means anyone who distributes or supplies steam for heating purposes by means of pipes to a consumer ;

“storage” means any accumulation of natural gas in an underground or overground reservoir.

**3.** This Act is binding on the Government, government departments and bodies that are mandataries of the Government.

## **CHAPTER II**

### **ORGANIZATION AND OPERATION OF THE RÉGIE**

#### **DIVISION I**

##### **ESTABLISHMENT**

**4.** A board to be known as the “Régie de l’énergie” is hereby established.

**5.** In the exercise of its functions, the Régie shall promote the satisfaction of energy needs through sustainable development. To that end, the Régie shall have due regard for economic, social and environmental concerns and for equity both on the individual and collective planes. The Régie shall also foster the conciliation of the public interest, consumer protection and the fair treatment of distributors.

**6.** The head office of the Régie shall be situated at the place determined by the Government ; a notice of the address of the head office shall be published in the *Gazette officielle du Québec*. The Régie may have offices at any other place in Québec.

The Régie may sit anywhere in Québec.

**DIVISION II****COMPOSITION**

**7.** The Régie shall be composed of seven commissioners appointed by the Government, including a chairman and a vice-chairman. The commissioners shall exercise their functions on a full-time basis.

The Government may, where required for the proper dispatch of business, appoint full-time or part-time supernumerary commissioners.

**8.** The Government may establish a selection procedure applicable to commissioners and, among other things, provide for the creation of a selection committee.

The selection procedure established under this section need not be followed to reappoint a commissioner.

**9.** A commissioner may not, on pain of forfeiture of office, have a direct or indirect interest in any enterprise that could cause a conflict between his personal interest and his duties of office, unless the interest devolves to him by succession or gift and he renounces it or disposes of it with dispatch.

**10.** The term of office of a commissioner is five years.

However, the term of office of a supernumerary member shall either be determined in the instrument of appointment and not exceed two years, or be determined by reference to a special mandate specified in the instrument of appointment.

**11.** The chairman of the Régie may authorize a commissioner to continue the examination of an application and make a decision notwithstanding the expiry of his term. He shall be considered a supernumerary member for the time required.

**12.** The Government shall fix the remuneration, employment benefits and other conditions of office of the chairman, the vice-chairman and the other commissioners.

**13.** The secretary and the other members of the personnel of the Régie shall be appointed according to the staffing plan and standards established by regulation of the Régie. The regulation of the Régie shall also determine the standards and scales of remuneration, the employment benefits and other conditions of employment of those employees.

The regulation shall be submitted to the Government for approval.

### DIVISION III

#### OPERATION

**14.** The chairman shall coordinate and distribute the work of the commissioners. He is responsible for the administration of the Régie and supervises its personnel.

**15.** The vice-chairman or the commissioner designated by the Government shall exercise the powers of the chairman if he is absent or unable to act.

**16.** Applications filed with the Régie, other than applications referred to in section 96, shall be examined and decided by three commissioners.

However, the chairman may designate a commissioner who shall act alone to examine and decide an application filed under subparagraph 2 of the first paragraph of section 73, the first paragraph of section 74, the first paragraph of section 78, section 81 or the first paragraph of section 84, under section 30 of the Hydro-Québec Act (R.S.Q., chapter H-5) or under section 2 of the Act respecting the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville and repealing the Act to promote rural electrification by means of electricity cooperatives.

**17.** If a commissioner becomes unable to act or dies before a decision is made, the two remaining commissioners may, if unanimous, make the decision.

If a commissioner designated to decide an application becomes unable to act or dies before making a decision, the chairman may, if all participants agree, designate another commissioner who shall examine the record in its entirety, continue processing the case and make a decision. Failing agreement, the matter shall be referred to the chairman for examination in accordance with section 16.

**18.** Every decision of the Régie shall be given with diligence and include the reasons therefor; it forms part of the records of the Régie and a certified copy shall be forwarded by the Régie without delay to the participants and the Minister. The Régie shall also send to the Minister a copy of any related document he may request.

Moreover, every decision made by the Régie under section 59 shall be published in the *Gazette officielle du Québec*.

**19.** Any document of the Régie signed by the chairman or by any person designated by the chairman is authentic. Any copy of a document of the Régie certified true by the chairman or any person so designated is also authentic.

**20.** The Régie may adopt internal management rules for the conduct of its business. Such rules require the approval of the Government. They shall come into force on the date of their publication in the *Gazette officielle du Québec* or on any later date determined by the Government.



**21.** The secretary shall carry out the duties assigned to him by the chairman. The secretary shall have custody of the records of the Régie.

**22.** No judicial proceedings may be brought against the Régie, the commissioners, the secretary or the other members of the personnel of the Régie by reason of an official act done in good faith in the exercise of their functions.

**23.** The fiscal year of the Régie ends on 31 March.

**24.** Not later than 30 June each year, the Régie shall submit a report to the Minister concerning its operations in the preceding fiscal year. The report shall include a statement of the applications filed with the Régie, the decisions of the Régie and the number, nature and results of the inquiries made in the year. The report shall also contain any other information requested by the Minister concerning the operations of the Régie.

The Minister shall table the report in the National Assembly within 30 days of receiving it or, if the Assembly is not sitting, within 30 days of resumption.

#### **DIVISION IV**

##### **PUBLIC HEARINGS**

**25.** The Régie shall hold a public hearing

- (1) when examining an application under section 48, 65, 78 or 80;
- (2) when determining the elements making up operating costs and determining an amount pursuant to section 59;
- (3) when so required by the Minister, on any energy matter.

The Régie may call a public hearing on any matter within its jurisdiction.

**26.** Before holding a public hearing, the Régie shall issue written instructions in which it shall fix the date for the filing of all documents and information relevant to the submissions the participants intend to make and the place and date of the hearing and shall provide any other information it considers necessary.

The Régie may direct that participants present their observations and arguments in writing.

The Régie may order a participant to publish the instructions as determined by the Régie.

**27.** The chairman of the Régie or any commissioner designated by the chairman may call the participants to a pre-hearing conference if he considers it useful and the circumstances allow it.

**28.** The purpose of a pre-hearing conference is to

- (1) define and clarify the issues to be dealt with at the public hearing ;
- (2) assess the advisability of better defining the positions of the participants as well as the solutions proposed ;
- (3) ensure that all relevant documents and information are exchanged by the participants ;
- (4) plan the conduct of the public hearing ;
- (5) examine the possibility for the participants of recognizing certain facts or of proving them by means of sworn statements ; and
- (6) examine any other matter that may simplify or accelerate the conduct of the public hearing.

**29.** Minutes of the pre-hearing conference shall be drawn up and signed by the participants and by the chairman or the commissioner who called the participants to the conference.

Agreements and decisions recorded in the minutes shall, as far as they may apply, govern the conduct of the public hearing unless the Régie, when hearing the participants, permits a derogation therefrom to prevent an injustice.

**30.** The Régie may ban or restrict the disclosure, publication or release of any information or documents it indicates, if the confidentiality thereof or the public interest so requires.

### **CHAPTER III**

#### **FUNCTIONS AND POWERS**

##### **DIVISION I**

##### **JURISDICTION**

**31.** It is within the exclusive jurisdiction of the Régie to

- (1) fix or modify the rates and conditions for the transmission or supply of electric power by Hydro-Québec or the rates and conditions for the transmission, delivery or supply of natural gas by a natural gas distributor or for the storage of natural gas ;
- (2) monitor the operations of Hydro-Québec or of natural gas distributors to ascertain that consumers are adequately supplied and are charged fair and reasonable rates ;
- (3) approve the resource plan of Hydro-Québec and of every natural gas distributor ;

(4) examine any complaint filed by a consumer concerning the application of a rate or a condition governing the supply or transmission of electric power by an electric power distributor or of a rate or a condition governing the transmission, supply or storage of natural gas by a natural gas distributor and see to it that the consumer is charged the rate applicable to him and is subject to the conditions applicable to him; and

(5) decide any other application filed under this Act.

It is also within the exclusive jurisdiction of the Régie to decide applications under section 30 of the Hydro-Québec Act, paragraph 3 of section 12 and sections 13 and 16 of the Act respecting municipal and private electric power systems, and sections 2 and 10 of the Act respecting the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville and repealing the Act to promote rural electrification by means of electricity cooperatives.

**32.** The Régie, on its own initiative or on the application of any interested person, may

(1) determine the rate of return of Hydro-Québec or of a natural gas distributor;

(2) determine the cost of service allocation method applicable to Hydro-Québec or to a natural gas distributor;

(3) formulate general principles for the determination and application of rates fixed by the Régie; or

(4) formulate general principles applicable to electric power transactions of Hydro-Québec or of natural gas transactions of natural gas distributors.

**33.** Before making a decision which may modify the use of an immovable situated in a reserved area or in an agricultural zone established in accordance with the Act to preserve agricultural land (R.S.Q., chapter P-41.1), the Régie must obtain the advice of the Commission de protection du territoire agricole du Québec.

**34.** The Régie may decide an application in part only.

It may make any decision or issue any order it considers appropriate to safeguard the rights of the persons concerned.

**35.** The Régie may make such inquiries as are necessary for the exercise of its functions and, to that end, the commissioners are vested with the powers and immunity of commissioners appointed under the Act respecting public inquiry commissions (R.S.Q., chapter C-37), except the power to order imprisonment.

The commissioners are also vested with all powers necessary for the exercise of their functions.

**36.** The Régie may order any electric power or natural gas distributor to pay all or part of the cost incurred to examine any matter submitted to the Régie or to implement the decisions or orders of the Régie.

The Régie may order any electric power or natural gas distributor to pay all or part of the expenses, including expert fees, of any person whose participation in Régie proceedings is considered useful by the Régie.

Where it is warranted by the public interest, the Régie may pay the expenses of groups formed to take part in its public hearings.

**37.** The Régie, on its own initiative or on application, may revise or revoke any decision it has made

(1) where a new fact is discovered which, had it been known in time, could have justified a different decision;

(2) where an interested person was unable, for sufficient cause, to present observations; or

(3) where a substantive or procedural defect is likely to invalidate the decision.

Before revising or revoking a decision, the Régie must give the persons concerned an opportunity to present observations.

In the case set out in subparagraph 3 of the first paragraph, the decision may not be revised or revoked by the commissioners having made the decision.

**38.** A decision containing an error in writing or in calculation or any other clerical error may be rectified by the Régie.

**39.** The Régie or any interested person may deposit a certified copy of a decision or order made under this Act at the office of the clerk of the Superior Court of the district in which the head office or a place of business of the distributor is situated.

A decision or order deposited as in the first paragraph has the same force and effect as a judgment emanating from the Superior Court.

**40.** No appeal lies from a decision of the Régie.

**41.** Except on a question of jurisdiction, no remedy under article 33 of the Code of Civil Procedure (R.S.Q., chapter C-25) or extraordinary recourse within the meaning of that Code may be exercised and no injunction may be granted against the Régie or against any of its commissioners acting in their official capacity.

A judge of the Court of Appeal may, upon a motion, annul by a summary proceeding any proceeding brought or decision made contrary to the first paragraph.

**42.** The Régie shall advise the Minister on any energy matter submitted to the Régie by the Minister and may, on its own initiative, advise the Minister on any matter within its jurisdiction.

## **DIVISION II**

### **INSPECTION AND INQUIRIES**

**43.** The chairman of the Régie may, for the purposes of this Act, designate any person in writing, generally or specially, to make an inquiry or an inspection.

**44.** A person designated to make an inspection may

(1) enter the establishment or upon the property of a distributor at any reasonable time;

(2) examine and make copies of books, records, accounts, files and other documents relating to the production, transmission, distribution, supply, purchase, sale or consumption of energy or to the storage of natural gas; and

(3) require any information pertaining to the application of this Act, and the production of any related document.

Every person having custody, possession or control of such books, records, accounts, files or other documents shall, on request, give access to them to the designated person and facilitate his examination of them.

A designated person exercising powers under the first paragraph shall, on request, identify himself and show a document attesting his capacity.

**45.** No judicial proceedings may be brought against a person designated to make an inquiry or an inspection by reason of an official act done in good faith in the performance of his duties.

**46.** No person may hinder the work of a person designated to make an inquiry or an inspection in the performance of his duties.

**47.** No person may make, concur in or authorize a false or misleading statement in the course of an inspection or in response to an order or request of the Régie.

**CHAPTER IV****RATE DETERMINATION**

**48.** The Régie shall, on the application of an interested person or on its own initiative, fix or modify the rates and conditions for the transmission or supply of electric power by Hydro-Québec or for the transmission, delivery or supply of natural gas by a natural gas distributor or for the storage of natural gas. The Régie may ask Hydro-Québec or a natural gas distributor to file a modification proposal.

Applications must be filed with the documents and fees prescribed by regulation.

**49.** When fixing or modifying rates, the Régie shall, in particular,

(1) determine the rate base of the distributor after giving due consideration to the fair value of the assets it considers prudently acquired and useful for the operation of electric power production equipment, of a transmission system or of a distribution system, as well as to the undepreciated research and development and marketing expenditures, commercial programs, preliminary expenses and the working capital required for the operation of such equipment and systems ;

(2) determine the overall amounts of expenditure it considers necessary to cover the cost to the distributor of providing the service, including the cost of acquisition ;

(3) allow a reasonable return on the rate base of the distributor ;

(4) determine measures and incentives for improved distributor performance and increased satisfaction of consumer needs ;

(5) ensure that the distributor's financial ratios are maintained ;

(6) consider the distributor's cost of service, the varying risks according to classes of consumers, the competition between the various forms of energy and the maintenance of equity between rate classes ;

(7) ascertain that the rates and other conditions for the provision of the service are fair and reasonable ;

(8) consider the distributor's sales forecasts ;

(9) consider service quality ;

(10) consider such economic, social and environmental concerns as have been identified by the Government.

The Régie may, in respect of a consumer or class of consumers, fix a rate to compensate for energy savings which are not beneficial for the distributor but are beneficial for the consumer or class of consumers.

The Régie may use any other method it considers appropriate.

**50.** The fair value of a distributor's assets shall be determined on the basis of the original cost, less depreciation.

**51.** No tariff may impose higher rates or more onerous conditions than are necessary to cover capital and operating costs, to maintain the stability of the enterprise and the normal development of the electric power production equipment and of transmission and distribution systems or to provide the distributor a reasonable return on the rate base.

The same applies to the storage of natural gas by the operator of a natural gas storage facility insofar as it is warranted by the rate determination method employed by the Régie.

**52.** In any tariff for the supply of electric power or natural gas, the rates and other conditions applicable to a consumer or class of consumers must reflect the actual cost of acquisition to the distributor or any other terms granted to the distributor by producers of electric power or natural gas or their representatives in consideration of the consumption of that consumer or class of consumers.

A tariff may also reflect any other acquisition-related cost of the electric power or natural gas to the distributor.

**53.** Hydro-Québec or a natural gas distributor may not, in respect of a consumer, impose or agree to a rate or to conditions other than those fixed by the Régie or the Government.

Nor may Hydro-Québec or a natural gas distributor discontinue or interrupt service to a consumer because of his refusal to pay an amount other than the amount resulting from the application of a rate or condition fixed by the Régie or the Government.

**54.** Any stipulation of an agreement which is at variance with a tariff fixed by the Régie or the Government is null.

## CHAPTER V

### MONITORING OF STEAM AND PETROLEUM PRODUCT PRICES

**55.** The Régie shall monitor, in the various regions of Québec, the prices charged for petroleum products and those charged for steam supplied or distributed by means of pipes for heating purposes.

To that end, the Régie may exercise powers of supervision, inspection and inquiry in respect of the sale or distribution of steam or petroleum products and the prices, taxes and duties charged and paid.

**56.** The Régie may, at any time, order any person to furnish any information concerning the person's sales or distribution of petroleum products or steam or concerning the prices, taxes and duties charged and paid.

The person concerned must comply with the order issued by the Régie.

**57.** The Régie shall, on its own initiative or at the Minister's request, advise the Government or the Minister concerning steam or petroleum product prices.

**58.** The Régie may, on request, provide information to consumers on the prices charged by a steam or petroleum products distributor.

The Régie may promote awareness of consumer needs and demands among steam and petroleum products distributors.

**59.** For the purposes of section 45.1 of the Act respecting the use of petroleum products (R.S.Q., chapter U-1.1),

(1) the Régie shall determine annually an amount per litre representing the operating costs borne by a gasoline or diesel fuel retailer; different amounts may be determined according to regions determined by the Régie;

(2) the Régie shall assess the expediency of excluding the amount from or including the amount in the operating costs borne by a retailer; the Régie shall specify the period and the zone to which its decision applies;

(3) the Régie may determine zones.

For the purposes of subparagraph 1 of the first paragraph, the operating costs are the reasonable and necessary costs involved in retailing gasoline or diesel fuel efficiently.

In exercising its powers, the Régie must ensure that the interests of consumers are protected.



**CHAPTER VI****EXCLUSIVE ELECTRIC POWER OR  
NATURAL GAS DISTRIBUTION RIGHTS****DIVISION I****GRANT OF EXCLUSIVE DISTRIBUTION RIGHTS**§1. — *Distribution of electric power*

**60.** Exclusive electric power distribution rights confer on the holder, within the territory where they obtain and to the exclusion of anyone else, the right to operate an electric power distribution system.

Such rights do not prevent anyone from producing and distributing via their own system the electric power they consume.

**61.** No one may operate an electric power distribution system within the territory of the holder of exclusive electric power distribution rights.

**62.** Hydro-Québec is the holder of exclusive electric power distribution rights throughout the territory of Québec, excluding the territories served by a distributor operating a municipal or private electric power system or by the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville on (*insert here the date of coming into force of this section*).

All distributors operating a municipal electric power system as well as the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville are also the holders of exclusive distribution rights within the territory served on that date by their distribution system.

Notwithstanding sections 60 and 61, holders of exclusive electric power distribution rights may agree on terms and conditions for the provision of service to a customer in each other's territories.

This Act does not operate to prevent a holder of exclusive electric power distribution rights to continue to operate his installations for the supply of electric power which, on (*insert here the date of coming into force of this section*) are situated within the territory served on that date by another holder of exclusive electric power distribution rights.

§2. — *Distribution of natural gas*

**63.** Exclusive natural gas distribution rights confer on the holder, within the territory where they obtain and to the exclusion of anyone else, the right to operate a natural gas distribution system and to transmit and deliver by pipeline natural gas intended for consumption.

Exclusive natural gas distribution rights do not confer the exclusive right to purchase, sell or store natural gas.

**64.** After obtaining the advice of the Régie, the Government may grant to a person or partnership, subject to the conditions it determines, exclusive natural gas distribution rights within the territory it determines.

**65.** An application for exclusive natural gas distribution rights must be made in writing to the Régie and filed with the documents and fees prescribed by regulation.

Upon receipt of an application, the Régie shall inform the Minister.

**66.** The Régie shall publish a notice of the application in the *Gazette officielle du Québec* and in a daily newspaper distributed in the territory for which the application is made. The notice shall state

(1) that an application for exclusive natural gas distribution rights has been filed with the Régie;

(2) that a public hearing will be held to examine the application;

(3) that interested persons will be given the opportunity to present observations; and

(4) the place, date and time of the public hearing.

The public hearing may not be held before the expiry of 30 days after the later of the publications.

**67.** After the public hearing is held, the Régie shall advise the Government concerning the application for exclusive natural gas distribution rights.

**68.** Exclusive natural gas distribution rights may be granted for not more than 30 years. They may be renewed subject to the conditions determined by the Government.

**69.** Whenever the public interest so requires, the Government may, after obtaining the advice of the Régie, modify or revoke exclusive natural gas distribution rights.

**70.** The Minister shall give notice in the *Gazette officielle du Québec* of every grant, renewal, modification or revocation of exclusive natural gas distribution rights.

**71.** No one, except the holder of exclusive natural gas distribution rights, may operate a natural gas distribution system.

**DIVISION II****OBLIGATIONS OF DISTRIBUTORS**

**72.** Hydro-Québec and every natural gas distributor shall submit to the Régie for approval, at the intervals fixed by regulation of the Régie, a resource plan, the form and tenor of which are determined by regulation of the Régie, proposing strategies for achieving a balance between the supply of and the demand for the energy distributed by the distributor, through means which operate on both supply and demand, in keeping with economic, social and environmental concerns and having due regard for the risks inherent in the chosen sources of supply.

**73.** Hydro-Québec and every natural gas distributor must obtain the authorization of the Régie, subject to the conditions and in the cases the Régie determines by regulation, to

(1) acquire, construct or dispose of immovables or assets intended for the production, transmission or distribution of electric power or natural gas;

(2) extend or modify their distribution system;

(3) cease or suspend operations;

(4) alter the use of their distribution system;

(5) restructure their operations so as to exclude part thereof from the application of this Act; or

(6) export electric power from Québec, subject to the Act respecting the exportation of electric power (R.S.Q., chapter E-23).

In examining an application under subparagraph 1 of the first paragraph, the Régie shall give due consideration to the justification of energy needs.

In examining any application under this section, the Régie shall give due consideration to such economic, social and environmental concerns as have been identified by the Government.

An authorization under this section does not dispense Hydro-Québec or a natural gas distributor from seeking any other authorization required by law.

**74.** Hydro-Québec may not enter into any contract for the purchase or exchange of electric power without obtaining the approval of the Régie in the cases determined by the Régie.

The commercial programs of Hydro-Québec and of natural gas distributors also require the approval of the Régie.

In a territory served by an independent electric power distribution system, Hydro-Québec may also submit to the Régie, for approval, commercial programs relating to other forms of energy in order to ensure that consumers in that territory are treated equitably in terms of energy supply in relation to any other consumer of electric power supplied by Hydro-Québec for residential and water heating.

In examining an application under this section, the Régie shall give due consideration to changes in commercial practices.

**75.** Each year at the time determined by the Régie, Hydro-Québec and every natural gas distributor shall submit a report to the Régie containing the following information:

(1) its name;

(2) in the case of a company carrying on an enterprise, its capital stock, the various issues of securities made since the establishment of the enterprise or since the last report, and the names of its directors;

(3) its assets, liabilities, revenues and expenditures for the year;

(4) the prices and rates charged during the year; and

(5) any other information required by the Régie.

**76.** Hydro-Québec, every distributor operating a municipal electric power system and the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville are required to supply electric power to every person who so requests within the territory where their exclusive rights obtain.

The Régie may, at the request of a consumer or of an electric power distributor, dispense the distributor from complying with a request under this section only if the service may be provided in an equivalent manner and under equivalent conditions by another source of energy and if the Régie is of the opinion that the cost of the service requested would not be borne by the consumer.

**77.** A natural gas distributor is required to supply and deliver natural gas to every person who so requests within the territory served by the distributor's distribution system.

Within that territory, the distributor shall also, at the request of a consumer or at the request of a natural gas broker acting in his own name or in the name of a producer or a consumer, receive, transmit and deliver to the consumer natural gas purchased from a third person by the consumer for his own consumption.

**78.** Any interested person not served by a natural gas distribution system may apply to the Régie for an order directing a natural gas distributor to expand its distribution system within the territory where the distributor's exclusive rights obtain.

Such interested person may also request the Régie to recommend to the Government that it extend the territory where the exclusive rights of a natural gas distributor obtain and to order the distributor to expand its distribution system.

**79.** The Régie may, at the request of a consumer or a natural gas distributor, dispense the distributor from complying with a request under section 77 or 78 if the Régie is of the opinion that the public interest so requires or that the cost of the service would not be borne by the consumer.

The Régie may also dispense a natural gas distributor from complying with such request where it would be detrimental to the profitability or efficient operation of the distributor's enterprise or where the security of supply of another consumer is likely to be endangered.

Where natural gas is used mainly for space heating or domestic purposes, the Régie may also dispense a distributor from complying with a request under the second paragraph of section 77 if the Régie is of the opinion that, in view of the particular needs of the consumer and of the availability of natural gas, the security of supply under the conditions of supply agreed upon between the consumer and a third person is not comparable to that offered by a distributor.

**80.** The alienation or other transfer of an enterprise operating under exclusive natural gas distribution rights or the amalgamation of a legal person holding such rights may not be effected without the authorization of the Government.

The authorization of the Government is also required to transfer, assign, exchange or allot securities of a legal person holding exclusive distribution rights or to make any other transaction in respect of such securities if such a transaction directly or indirectly entails putting into the same hands or into the hands of a group of related persons within the meaning of the Taxation Act (R.S.Q., chapter I-3) securities or rights to acquire securities

(1) allowing the election of a majority of the directors of the legal person, in the case of securities exempt from the application of the Securities Act (R.S.Q., chapter V-1.1);

(2) representing more than 20% of the voting securities of the legal person, in the case of securities not exempt from the application of the Securities Act.

Where a partnership holds exclusive rights, every transaction in respect of the shares of the partnership must be authorized by the Government if it entails putting into the same hands or into the hands of a group of related persons within the meaning of the Taxation Act, shares or rights to acquire

shares of the partnership representing more than 50% of the partnership capital or, in the case of a limited partnership, shares allowing a person to act as a general partner.

Before deciding an application under this section, the Government shall obtain the advice of the Régie.

Any interested person may apply to a court of competent jurisdiction to have any act done in contravention of this section declared null.

This section also applies to distributors operating a municipal electric power system as well as to the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville.

**81.** Where a natural gas distributor is supplied natural gas by a supplier having a direct or indirect interest in the enterprise of the distributor, the distributor shall submit the supply contract to the Régie for approval.

The same applies where the natural gas distributor has a direct or indirect interest in the enterprise of the supplier.

**82.** A natural gas distributor is authorized to exercise as regards natural gas, within the territory where the distributor's exclusive distribution rights obtain, such powers relating to the sale and rental of apparatus and meters, work in the streets, on highways and in public places and interruptions of service and such power to enter upon private property as are provided for in sections 63 to 71 and 73 to 76 of the Gas, Water and Electricity Companies Act (R.S.Q., chapter C-44), subject to the restrictions, conditions and obligations specified in those sections.

The distributor may exercise the same powers, subject to the same restrictions, conditions and obligations, with respect to the construction of pipelines for the supply, transmission and delivery of natural gas to the distributor's customers in the territory for which exclusive distribution rights have been granted to the distributor, whether the pipelines are built wholly or partly within or outside that territory.

**83.** A natural gas distributor may acquire by agreement or expropriation any right of way, servitude or immovable required for the supply, transmission, delivery or overground storage of natural gas as well as for the installation of a pipeline leading to the storage site of a third person in the territory for which exclusive distribution rights have been granted to the distributor.

**84.** The installation of pipes, conduits, dependencies, apparatus or other works by a natural gas distributor under or along any public road, watercourse, street, lane or other public place in a municipality shall be effected pursuant to the conditions agreed upon between the parties or, failing agreement, pursuant to the conditions determined by the Régie.

Any agent of the natural gas distributor may, at any reasonable time, enter upon any immovable to effect such installation or to repair such works and to do any work required for such purpose, subject to paying any damage which may be caused.

**85.** Sections 87, 89 and 94 of the Gas, Water and Electric Companies Act (R.S.Q., chapter C-44), which pertain to illegal connections, damage to meters and apparatus exempt from seizure, apply in favour of a natural gas distributor.

## CHAPTER VII

### EXAMINATION OF CONSUMER COMPLAINTS

#### DIVISION I

##### SCOPE

**86.** This chapter applies to complaints addressed by consumers to an electric power or natural gas distributor concerning the application of a rate or condition for the supply or transmission of electric power or of a rate or condition for the transmission, supply or storage of natural gas.

#### DIVISION II

##### EXAMINATION BY DISTRIBUTOR

**87.** A complaint examination procedure shall be established by every distributor.

The procedure must be submitted to the Régie for approval.

**88.** Every distributor shall, within the time fixed by the Régie, publish the procedure in at least two newspapers distributed in the territory served by the distributor, specifying the place where complaints may be filed.

**89.** Once a year, every distributor shall send to its customers a pamphlet describing the procedure and indicating that a proceeding may be brought before the Régie as provided in Division III.

**90.** The distributor shall assist complainants who so request in formulating their complaint. The distributor shall give complainants an opportunity to present observations.

The distributor shall dismiss, on summary examination, any clearly unfounded or vexatious complaint.

**91.** The decision must be in writing and be notified to the complainant within 60 days or within any other period of time approved by the Régie. It must include the reasons therefor and indicate that a proceeding may be brought before the Régie as provided in Division III.

**92.** The distributor may review its decision.

**93.** If the distributor fails to forward the decision within the allotted time, the distributor is deemed to have forwarded a negative decision to the complainant on the day of expiry of that time.

### **DIVISION III**

#### **PROCEEDING BEFORE THE RÉGIE**

**94.** Within 30 days of the date on which the distributor's decision is forwarded or deemed to have been forwarded, the complainant, if he disagrees with the decision, may apply to the Régie for the examination of the complaint.

**95.** The complaint, including the reasons therefor, must be submitted to the Régie in writing, together with the distributor's decision, if any.

The secretary of the Régie shall forward a copy of the complaint to the distributor.

**96.** Applications under this division shall be examined by a commissioner acting alone. However, the chairman, if he considers it necessary, may designate three commissioners to hear an application.

**97.** Within 15 days of receiving a copy of the complaint, the distributor shall forward to the secretary of the Régie the in-house examination file concerning the complaint.

The complainant may consult the file at the office of the distributor where he filed the complaint or at the office of the Régie. The complainant may, on payment of the reproduction costs, obtain a copy of the file.

**98.** In examining a complaint, the Régie shall ascertain whether the rates and conditions for the transmission or supply of electric power or the rates and conditions for the transmission, supply or storage of natural gas fixed by the Régie have been complied with by the distributor.

**99.** The Régie may refuse or cease to examine a complaint

(1) if the Régie has reasonable grounds to believe that the complaint is unfounded, vexatious or in bad faith or that an intervention on its part would serve no useful purpose ;

(2) if more than one year has elapsed since the complainant became aware of the facts on which his complaint is based, unless the delay is justified by exceptional circumstances.

If the Régie refuses or ceases to examine a complaint, it shall inform the complainant and the distributor in writing of the reasons for such decision.



**100.** A person must furnish to the Régie any information required by the Régie for the examination of a complaint and must attend any meeting to which he is called.

**101.** If the Régie determines that a complaint is valid, it shall order the distributor to implement, within the time fixed by the Régie, measures determined by the Régie concerning the application of the rates or conditions; the Régie may also determine the date on which such measures are to be implemented.

## CHAPTER VIII

### FINANCIAL PROVISIONS

**102.** Every distributor shall pay to the Régie an annual duty at the rate and according to the terms and conditions prescribed by regulation of the Government.

This section applies to Hydro-Québec notwithstanding section 16 of the Hydro-Québec Act (R.S.Q., chapter H-5).

**103.** The Régie shall collect from distributors the fees prescribed by regulation of the Government for the examination of applications according to the prescribed terms and conditions.

**104.** The duties paid to the Régie and the fees collected by the Régie under this Act form part of its revenues.

**105.** The duties and fees shall be deposited, as they are collected, in a bank or with a savings and credit union governed by the Savings and Credit Unions Act (R.S.Q., chapter C-4.1).

**106.** Each year at the time determined by the Government, the chairman of the Régie shall submit to the Minister the budget estimates of the Régie for the following fiscal year, the form and tenor of which are determined by the Government.

The estimates require the approval of the Government.

**107.** No operating deficit may be incurred in any fiscal year.

Any amount by which revenues exceed expenditures in a fiscal year shall be carried over to the subsequent annual budget.

**108.** The Régie shall keep separate accounts for each distributor.

**109.** The books and accounts of the Régie shall be audited by the Auditor General annually and whenever so ordered by the Government.

**CHAPTER IX****DIRECTIVES AND REGULATIONS****DIVISION I****DIRECTIVES**

**110.** The Minister may issue directives concerning the general policy and objectives to be pursued by the Régie.

**111.** The directives of the Minister must be approved by the Government and shall come into force on the day of their approval. Once approved, the directives are binding upon the Régie which shall comply therewith.

Every directive shall be tabled in the National Assembly within 15 days of its approval by the Government or, if the Assembly is not in session, within 15 days of resumption.

**DIVISION II****REGULATIONS**

**112.** The Government may make regulations determining

(1) the rate and terms and conditions of payment of the annual duty payable to the Régie by a distributor;

(2) the fees payable for the examination of an application submitted to the Régie;

(3) the provisions of a regulation under section 114 the contravention of which constitutes an offence.

The rates, terms and conditions and fees referred to in subparagraphs 1 and 2 of the first paragraph may vary according to the distributor or class of distributors. A regulation hereunder may also exclude a distributor or class of distributors.

**113.** The Régie may adopt rules of procedure applicable to the examination of applications or to public hearings.

**114.** The Régie may make regulations determining

(1) operating standards and technical requirements to be met by Hydro-Québec or by natural gas distributors;

(2) standards concerning the continuation of an electric power or natural gas distribution system;

(3) standards concerning rate-related methods and practices;

(4) standards concerning accounting methods and practices and administrative and financial practices to be applied by Hydro-Québec or by natural gas distributors ;

(5) the documents required for the examination of an application ;

(6) the cases in which an operation referred to in section 73 requires an authorization and the applicable conditions ;

(7) the form and tenor of a resource plan, and the intervals at which such a plan is to be submitted.

**115.** The rules of procedure and regulations made by the Régie must be submitted to the Government for approval.

## CHAPTER X

### PENAL PROVISIONS

**116.** Whoever contravenes any of the provisions of the second paragraph of section 56 and sections 61, 71 and 80 or any decision of the Régie is liable to a fine of \$2,000 to \$4,000 for the first offence and of \$5,000 to \$50,000 for every subsequent offence.

Moreover,

(1) Hydro-Québec or any natural gas distributor, if it contravenes any of the provisions of the first paragraph of section 53, sections 72 and 73 and the second paragraph of section 74,

(2) Hydro-Québec, if it contravenes the first paragraph of section 74,

(3) any natural gas distributor, if it contravenes section 81, or

(4) any electric power or natural gas distributor, if it contravenes section 87, is liable to the penalties prescribed in the first paragraph.

**117.** Hydro-Québec or any natural gas distributor, if it contravenes a regulatory provision determined under subparagraph 3 of the first paragraph of section 112 or whoever contravenes any of the provisions of sections 46 and 47 is liable to a fine of \$1,000 to \$2,000 for the first offence and of \$2,000 to \$5,000 for every subsequent offence.

Hydro-Québec or any natural gas distributor, if it fails to submit the report referred to in section 75 or produces false information in that report, is liable to the penalties prescribed in the first paragraph.

## CHAPTER XI

### AMENDING PROVISIONS

#### ACT RESPECTING THE EXAMINATION OF COMPLAINTS FROM CUSTOMERS OF ELECTRICITY DISTRIBUTORS

**118.** The Act respecting the examination of complaints from customers of electricity distributors (R.S.Q., chapter E-17.1) is repealed.

#### ACT RESPECTING THE EXPORTATION OF ELECTRIC POWER

**119.** Section 6 of the Act respecting the exportation of electric power (R.S.Q., chapter E-23) is amended by replacing the words “such conditions as it may determine” in the first and second lines by the words “the conditions and in the cases it determines”.

**120.** Section 6.1 of the said Act is replaced by the following section :

“**6.1.** Every contract for the exportation of power and energy by Hydro-Québec under which Hydro-Québec cannot interrupt delivery unilaterally must be submitted to the Government for authorization, which authorization may be given in the cases and subject to the conditions determined by the Government.

Without such authorization, Hydro-Québec may not submit an application under subparagraph 6 of the first paragraph of section 73 of the Act respecting the Régie de l'énergie (1996, chapter 61).”

#### HYDRO-QUÉBEC ACT

**121.** Section 1 of the Hydro-Québec Act (R.S.Q., chapter H-5) is amended by replacing paragraph 2 by the following paragraph :

“(2) “Régie” means the Régie de l'énergie ;”.

**122.** Section 21.3 of the said Act is amended by replacing the word “development” in the first line of the first paragraph and in the second paragraph by the word “strategic”.

**123.** Section 22.0.1 of the said Act is replaced by the following section :

“**22.0.1.** The rates and the conditions for the supply of power shall be fixed by the Régie.

However, notwithstanding subparagraph 1 of the first paragraph of section 31 of the Act respecting the Régie de l'énergie (1996, chapter 61), the Government shall, in respect of a special contract determined by it for the supply of new or additional power to be billed of 10 MW or more, fix the rates

and conditions upon which electric power is supplied by the Corporation to an industrial customer.”

**124.** Section 21.4 of the said Act, enacted by section 1 of chapter 46 of the statutes of 1996, is repealed.

**125.** Section 26 of the said Act is amended by replacing the words “established by the Corporation or against any obligation contracted in its favour” in the third and fourth lines by the words “fixed by the Régie or by the Government or against any obligation contracted in favour of the Corporation”.

**126.** Section 29 of the said Act is amended by striking out the seventh paragraph.

**127.** Section 30 of the said Act is amended

(1) by striking out the words “des télécommunications” in the fourth and fifth lines of the first paragraph ;

(2) by inserting the words “, at any reasonable time,” after the word “may” in the first line of the second paragraph.

#### CONSUMER PROTECTION ACT

**128.** Section 5 of the Consumer Protection Act (R.S.Q., chapter P-40.1), amended by section 791 of chapter 2 of the statutes of 1996, is again amended by replacing the words “Act respecting the Régie du gaz naturel (chapter R-8.02)” in the second line of paragraph *b* by the words “Act respecting the Régie de l’énergie (1996, chapter 61)”.

#### ACT RESPECTING THE RÉGIE DU GAZ NATUREL

**129.** The Act respecting the Régie du gaz naturel (R.S.Q., chapter R-8.02) is repealed.

#### ACT RESPECTING THE PROCESS OF NEGOTIATION OF THE COLLECTIVE AGREEMENTS IN THE PUBLIC AND PARAPUBLIC SECTORS

**130.** Schedule C to the Act respecting the process of negotiation of the collective agreements in the public and parapublic sectors (R.S.Q., chapter R-8.2), amended by section 19 of chapter 27 of the statutes of 1995, is again amended by inserting, alphabetically, the words “The Régie de l’énergie”.

#### ACT RESPECTING THE CIVIL SERVICE SUPERANNUATION PLAN

**131.** Schedule I to the Act respecting the Civil Service Superannuation Plan (R.S.Q., chapter R-12) is amended by inserting, alphabetically, in paragraph 1, the words “the Régie de l’énergie, in respect of the employees

referred to in section 150 of the Act respecting the Régie de l'énergie (1996, chapter 61)".

#### ACT RESPECTING MUNICIPAL AND PRIVATE ELECTRIC POWER SYSTEMS

**132.** Section 2 of the Act respecting municipal and private electric power systems (R.S.Q., chapter S-41), amended by section 946 of chapter 2 of the statutes of 1996, is again amended

(1) by replacing the words "du gaz naturel" in paragraph 1 by the words "de l'énergie";

(2) by inserting the words "other than Hydro-Québec," after the word "receivers," in the third line of paragraph 3.

**133.** Section 8 of the said Act, amended by section 951 of chapter 2 of the statutes of 1996, is again amended by replacing the word "established" in the third line of the second paragraph by the words "fixed by the Board for electricity supplied".

**134.** Section 16 of the said Act, amended by section 951 of chapter 2 of the statutes of 1996, is replaced by the following section :

**"16.** If a municipality cannot come to an agreement with Hydro-Québec to obtain electricity, the municipality may apply to the Board and the Board may order Hydro-Québec to supply electricity to the municipality on the terms and conditions determined by the Board.

A municipality may, with the authorization of and subject to the conditions determined by the Government, purchase electricity from any other public service."

**135.** Section 17 of the said Act, replaced by section 950 of chapter 2 of the statutes of 1996, is repealed.

**136.** Section 17.1 of the said Act is amended by replacing the word "established" in the fifth line of the first paragraph by the words "fixed by the Board for electricity supplied".

#### ACT RESPECTING THE USE OF PETROLEUM PRODUCTS

**137.** Section 1 of the Act respecting the use of petroleum products (R.S.Q., chapter U-1.1) is amended by striking out paragraph 3.

**138.** Chapter IV of the said Act is repealed.

**139.** The said Act is amended by inserting, before Chapter V, the following chapter :

**“CHAPTER IV.1****“ABUSIVE PRACTICES IN GASOLINE AND DIESEL FUEL SALES**

**“45.1.** Where, in a given zone, an enterprise sells gasoline or diesel fuel at retail for a price that is lower than the cost to a retailer in that zone of purchasing and reselling that product, the enterprise is presumed to be exercising its rights in an abusive and unreasonable manner, contrary to the requirements of good faith, and to have committed a fault against the retailer.

The court may condemn the enterprise having committed the fault to pay punitive damages.

For the purposes of the first paragraph,

(1) the cost to the retailer is the sum of

(a) the minimum price at the loading ramp published in the periodical designated by the Minister in a notice in the *Gazette officielle du Québec* ;

(b) the minimum transportation cost, that is, the cost to the retailer of conveying the product from the refinery to the service station by the most economical means of transportation ;

(c) the federal and provincial taxes ;

(d) the amount representing operating costs determined by the Régie de l'énergie under section 59 of the Act respecting the Régie de l'énergie (1996, chapter 61), unless the Régie decides otherwise ;

(2) a zone is the territory of a local municipality or a sale zone determined by the Régie de l'énergie, where that is the case.”

**140.** Section 65 of the said Act is amended by striking out the figures “43, 44,” in the second line.

**141.** Section 77 of the said Act is amended by striking out the figure “42,” in the second line.

**ACT RESPECTING NORTHERN VILLAGES AND  
THE KATIVIK REGIONAL GOVERNMENT**

**142.** Section 190 of the Act respecting Northern villages and the Kativik Regional Government (R.S.Q., chapter V-6.1), amended by section 1105 of chapter 2 of the statutes of 1996, is again amended by replacing the words “du gaz naturel” in the fourth and fifth lines by the words “de l'énergie”.

ACT RESPECTING THE COOPÉRATIVE RÉGIONALE  
D'ÉLECTRICITÉ DE SAINT-JEAN-BAPTISTE DE ROUVILLE  
AND REPEALING THE ACT TO PROMOTE RURAL  
ELECTRIFICATION BY MEANS OF ELECTRICITY COOPERATIVES

**143.** Section 2 of the Act respecting the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville and repealing the Act to promote rural electrification by means of electricity cooperatives (1986, chapter 21) is amended by replacing the words “des services publics” in the fifth line by the words “de l'énergie”.

**144.** Section 3 of the said Act is amended by inserting the words “, at any reasonable time,” after the word “may” in the first line.

**145.** Section 9 of the said Act is amended by replacing the word “established” in the third line of the second paragraph by the words “fixed by the Régie for electricity supplied”.

**146.** Section 10 of the said Act is amended by replacing the words “des services publics” in the second line by the words “de l'énergie”.

## CHAPTER XII

### TRANSITIONAL AND FINAL PROVISIONS

**147.** The term of office of the commissioners of the Régie du gaz naturel shall end on (*insert here the date of coming into force of section 129*). The term of office of the Commissioner appointed under the Act respecting the examination of complaints from customers of electricity distributors shall end on (*insert here the date of coming into force of section 118*).

However, the commissioners of the Régie may, notwithstanding the expiry of their term, continue to examine and decide applications having been referred to them. They shall, in that case, be remunerated at an hourly rate determined on the basis of their annual salary.

**148.** Notwithstanding the first paragraph of section 10, the term of office of the first commissioners of the Régie appointed by the Government is three years as regards two of them, four years as regards two others and five years as regards the remaining three.

**149.** The employees of the Régie du gaz naturel and those placed at the disposal of the Commissioner appointed under the Act respecting the examination of complaints from customers of electricity distributors shall become employees of the Régie de l'énergie to the extent determined by the Government.

Such employees shall hold the positions and exercise the functions assigned to them by the Régie.



**150.** Any person in the employ of the Régie may apply for a transfer to a position in the civil service or enter a competition for promotion in accordance with the Public Service Act (R.S.Q., chapter F-3.1.1) if, on (*insert here the date of coming into force of this section*), the person was an employee with permanent tenure governed by the Public Service Act or if the person's transfer or appointment to the Régie occurred within the 12 months following that date.

**151.** Section 35 of the Public Service Act applies to any employee of the Régie referred to in section 150 who enters a competition for promotion to a position in the public service.

**152.** Where an employee of the Régie referred to in section 150 applies for a transfer or enters a competition for promotion, the employee may require the chairman of the Conseil du trésor to give him an assessment of the classification that would be assigned to him in the public service. The assessment must take account of the classification that the employee had in the public service on the date on which he ceased to be a public servant, as well as the years of experience and the formal training acquired in the course of his employment with the Régie.

Where an employee of the Régie is transferred pursuant to the first paragraph, the deputy minister or chief executive officer shall assign to him a classification compatible with the assessment obtained under the first paragraph.

Where an employee of the Régie is promoted pursuant to section 151, his classification must take account of the criteria set out in the first paragraph.

**153.** If some or all of the activities of the Régie are discontinued or if there is a shortage of work, any employee of the Régie referred to in section 150 is entitled to be placed on reserve in the public service with the classification he had on the date on which he ceased to be a public servant.

In such a case, the chairman of the Conseil du trésor shall, where applicable, establish his classification on the basis of the criteria set out in the first paragraph of section 152.

**154.** An employee placed on reserve pursuant to section 153 shall remain in the employ of the Régie until the chairman of the Conseil du trésor can assign him a position.

**155.** Subject to the remedies available under a collective agreement, any employee of the Régie referred to in section 150 who is removed from office or dismissed may bring an appeal under section 33 of the Public Service Act.

**156.** The associations of employees certified in accordance with the provisions of Chapter IV of the Public Service Act which represented groups of employees on the date of the transfer or appointment of employees referred to in section 150 shall continue to represent those employees at the Régie de

l'énergie until the expiry of the collective agreements in force at the time of the transfer or appointment.

Such associations of employees shall also represent the other employees of the Régie, according to the group to which they belong, until the expiry of the collective agreements referred to in the first paragraph.

The provisions of such collective agreements shall continue to apply to the employees of the Régie to the extent that they are applicable to them, until their date of expiry.

However, the provisions of such collective agreements concerning job security shall not apply to the employees referred to in the second paragraph.

**157.** Unless the context indicates otherwise, the term "Régie du gaz naturel" wherever it appears in any Act, regulation, order in council, contract or other legal instrument is replaced by the term "Régie de l'énergie".

**158.** In all Acts and statutory instruments, every reference to a provision of the Act respecting the Régie du gaz naturel shall be a reference to the corresponding provision of this Act.

**159.** Every decision, order, regulation and resolution of the Régie du gaz naturel in any matter governed by this Act shall retain their effect until they are repealed, amended or replaced by a decision, order, regulation or resolution under this Act.

**160.** Proceedings instituted before the Commissioner appointed under the Act respecting the examination of complaints from customers of electricity distributors in any matter governed by Chapter VII shall be continued before the Régie de l'énergie, without further formality and according to the provisions of this Act.

**161.** The Régie shall become, without continuance of suit, a party to any proceeding instituted by or against the Régie du gaz naturel.

**162.** Proceedings instituted before the Régie du gaz naturel in any matter governed by this Act shall be continued before the Régie de l'énergie, without further formality and according to the provisions of this Act.

**163.** A commissioner appointed under this Act may, if the Government provides therefor, hold that office concurrently with the office of controller appointed under the Act respecting the Régie des télécommunications (R.S.Q., chapter R-8.01), including the office of chairman or vice-chairman.

**164.** Regulations and contracts made under section 22.0.1 of the Hydro-Québec Act before the coming into force of section 123 of this Act shall retain their effect until they are repealed, amended or replaced by a regulation, contract, decision or order under this Act.

**165.** The Government may, until the coming into force of Chapter IV insofar as it applies to Hydro-Québec, fix or modify a rate for the supply of electric power by Hydro-Québec by adjusting the rates then in effect by not more than the average variation in the annual Consumer Price Index for Canada for the 12 months of the preceding year in relation to such Index for the 12 months of the year preceding that year.

The Consumer Price Index for Canada is that published by Statistics Canada under the Statistics Act (Revised Statutes of Canada, 1985, chapter S-19).

**166.** The records and documents of the Régie du gaz naturel shall become, without further formality, the records and documents of the Régie de l'énergie.

**167.** On the proposal of Hydro-Québec, the Régie shall, within six months of the coming into force of this section, advise the Government on a procedure for the determination and implementation of rates for the supply of electric power in respect of a consumer or class of consumers referred to in section 52.

The Government shall determine, by order, for the purposes of sections 1 and 52 particularly, a procedure for the determination and implementation of the rates referred to in the preceding paragraph.

The Régie shall also, within the time determined by the Government, advise the Government on the advisability of and the terms and conditions applicable to the liberalization of electric power markets.

**168.** Three years after the coming into force of this Act, the Minister shall report to the Government on the effects and impact of this Act on the energy sector.

The report shall be tabled in the National Assembly within the 15 following days or, if the Assembly is not sitting, within 15 days of resumption.

**169.** Within one year following the determination of an amount under section 59, the Régie shall report to the Minister on the impact of the measures introduced by sections 59 and 139 on prices and commercial practices in the gasoline and diesel fuel retail business.

The report shall be tabled in the National Assembly if it is sitting or, if it is not in session, within 30 days of resumption.

**170.** The appropriations granted to the Régie du gaz naturel shall be transferred to the Régie de l'énergie to the extent determined by the Government.

**171.** The Minister of Natural Resources is responsible for the administration of this Act.

**172.** The Government may provide that a provision of this Act or the regulations comes into force on different dates according as it applies to electric power, to natural gas, to steam or to petroleum products.

**173.** The provisions of this Act come into force on the date or dates to be fixed by the Government.

However, section 139, with the exception of paragraph *d* of subparagraph 1 of the third paragraph of section 45.1 of the Act respecting the use of energy products, comes into force on 23 December 1996.