



CHAPTER 25

An Act to establish Provincial control of electricity

[Assented to, the 20th of May, 1937]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows :

INTERPRETATION

1. In this act:
- a. "distributor" means any person, firm or corporation carrying on an undertaking for the production, sale or distribution of electricity;
 - b. "Board" means the supervisory and arbitration committee contemplated in section 2.

Interpretation:
"Distributor";

CONSTITUTION OF THE BOARD

2. A supervisory and arbitration committee respecting the production, sale and distribution of electricity is hereby created under the name of *Provincial Electricity Board*.

Provincial
Electricity
Board.

It shall be composed of five controllers, one of whom shall be president and another vice-president, all to be appointed by the Lieutenant-Governor in Council who shall fix their remuneration.

Composi-
tion.

They shall remain in office during ten years, subject to dismissal for reasons deemed sufficient by the Lieutenant-Governor in Council.

Term of
office.

An appeal shall lie from such decision of dismissal to the Chief Justice of the Province, by a summary

Appeal res-
pecting dis-
missal.

petition, according to the formalities and with such evidence as the judge may prescribe, presented by the dismissed controller who shall give to the Attorney-General a notice of at least six days of the presentation of such petition.

- Proof, etc. The proof and hearing shall have precedence over all other matters.
- Vacancy. The Board shall not be dissolved by reason of vacancy among the controllers.
- Chief place. **3.** The Board shall have its chief place in the city of Quebec; it may have offices at any other place in the Province.
- Meetings. **4.** The controllers shall hold their meetings at the chief place of the Board or at any other place chosen by them. Three of them shall form a quorum.
- Vice-president. **5.** The vice-president, in the case of the absence or inability to act of the president, shall exercise the powers of the latter.
- Voting. The controllers shall decide by a majority vote; if there be a tie the president shall have a casting-vote.
- Prohibition as to certain interest. **6.** No controller, officer or employee of the Board may, under penalty of forfeiture of his office, have any interest whatsoever in any electric power undertaking, directly or indirectly.
- Proviso. However, such forfeiture shall not take place if such interest devolves by succession, provided that he renounce thereto or dispose thereof immediately.

POWERS AND JURISDICTION OF THE BOARD

- Powers of Board. **7.** The Board shall have a general and complete power of supervision and control over the undertakings of the distributors.
- Id., as to certain investigations. **8.** The Board, any controller designated by the president or if the latter is unable to act by the vice-president, and any person specially authorized by the Board, may make an inventory of all the property of the distributors and carry out investigations as to the financial structure, books and methods of accounting, rates, receipts, profits, salaries and in general all the operations of the distributors.

The investigations respecting the distributors designated to the Board by the Lieutenant-Governor in Council shall have precedence over all others and must be conducted with all the celerity humanly possible.

9. Sections 6, 9, 10, 11, 12, 13, 16 and 18 of the Public Inquiry Commission Act (Revised Statutes, 1925, chapter 8) shall apply, *mutatis mutandis*, to every investigation held under this act. In the case where such investigations are conducted by a person other than a controller, such person shall take the oath provided in section 3 of the aforesaid Public Inquiry Commission Act.

10. A controller acting in virtue of this act may, on any day not a holiday, between eight o'clock in the morning and six o'clock in the evening:

a. have access to any land, to any plant and to any construction or material whatsoever of a distributor, make a full examination thereof and take cognizance of any books, plans, specifications, drawings and documents whatsoever that he deems useful to consult;

b. take all the information that he deems useful respecting the water-courses, waterfalls, rapids and constructions, on the premises or elsewhere;

c. bring and utilize upon the premises the equipment and the instruments deemed necessary by him for his investigations and make use of those found there;

d. examine, make an inventory and valuate, subject to revision by the Board, the physical assets, within the meaning of this act, of any distributor.

11. No distributor may exact higher prices for his electricity than those necessary to enable him to meet the expenses of the undertaking and to assure him a reasonable return which must be based upon the physical assets of the distributor.

12. The physical assets of such undertaking shall comprise only the rights held by such distributor:

a. in the falls, rapids, hydraulic powers, dams, constructions, works of all kinds, machinery, moveables and immoveables, forming part of the undertaking; and

b. in any franchise connected with the undertaking, including its custom, valued for the period of its duration, without figuring upon the possibility of its renewal.

What undertaking's expenses to consist of.

13. The undertaking's expenses mentioned in section 11 shall consist exclusively of:

a. reasonable costs of administration, operation and maintenance;

b. public taxes and imposts;

c. a fair amount for deterioration of the physical assets.

Changing of prices.

14. The Board may, after investigation, change the prices demanded by any distributor for the sale of electricity, in such manner as to make them conform to the requirements of this act.

Fixed prices and effect thereof.

The prices so fixed by the Board shall be compulsory upon the distributor who shall not discontinue the service upon the consumer's refusal to pay a higher sum than the rates so determined, under penalty of actual and exemplary damages. Any sum paid beyond the rate fixed by the Board may be reclaimed notwithstanding any agreement or stipulation to the contrary.

Cancelling, etc., of certain contracts.

15. At the request of any interested party, the Board may cancel or alter any contract for the sale of electricity, if the party applying establishes that the conditions of such contract are abusive.

Id., between distributor and municipal corporation.

In the case of a contract between a distributor and a municipal corporation, twenty-five elector-proprietors may, on behalf of the latter, ask for the cancellation or alteration of such contract.

Application.

The provisions of this section shall apply to every contract existing at the date of the coming into force of this act.

Bearing of costs in certain case.

16. When, after an investigation held under section 14 or section 15, the Board has imposed a rate reduction of at least twenty per cent on a distributor, the latter shall bear all the costs of the investigation.

Powers of Board.

17. The Board may, moreover:

a. create committees for study and experimenting in matters of electricity to help in perfecting the methods of generating and distributing electricity;

b. oblige distributors to adopt any measure or reform tending to increase the production or reduce the cost of electricity;

c. regulate conditions as to health and safety in any undertaking for producing or distributing electricity.

18. The Board may, with the approval of the Lieutenant-Governor in Council:

a. appoint a secretary, engineers, technicians, accountants, clerks and other employees, and determine their duties and fix their remuneration;

b. establish and maintain a compulsory contributory pension fund for the benefit of its controllers, officers and employees, to which the Board, the distributors and the employees may be called upon to contribute, in such proportion as the Lieutenant-Governor in Council may fix.

19. Except when the distributor is a municipal corporation, the Board shall, in addition, have exclusive jurisdiction to hear and decide any contestation which may arise:

a. from the establishing and extending on municipal by-roads, roads, streets and land of underground conduits, overhead transmission wires or other installations used in transmitting or distributing electricity;

b. from the execution of works crossing an already-existing construction or installation.

20. The decision of the Board, in any matter within its jurisdiction, shall be final and without appeal.

It shall adjudicate, at its discretion, upon the expenses incurred respecting any matter within its jurisdiction and for the enforcement of its decisions, subject to the provisions of section 16.

OBLIGATIONS OF DISTRIBUTORS

21. No distributor may produce, sell or distribute electricity in this Province, without having obtained a license for such purpose from the Board, and unless such license be in force.

In the case of existing undertakings, the license must be secured within two months from the coming into force of this act. Such license may be provisional.

- Conditions in license. **22.** The license must state the conditions which the Board deems useful or necessary for the protection of the rights of consumers.
- Cancelling, etc., of license. **23.** The Board may, at any time, cancel a license or alter it through a change in the conditions which existed at the time of the issuing of such license.
- Obtaining of prior authorization. **24.** A distributor must obtain the prior authorization of the Board to cease or interrupt the operations or to extend, alter or change the undertaking of such distributor.
- Annulled, unless authorized: **25.** From and after the coming into force of this act, the following, unless previously authorized by the Board, shall be null:
- Certain bond, etc., issue; *a.* every issue of stock, bonds, debentures or debenture-stock of any corporation producing, selling or distributing electricity;
- Changes in certain capital stock, etc. *b.* every change in the capital stock or in the par value of the shares of any such corporation;
- Certain mergers; *c.* every merger of undertakings for the production or distribution of electricity;
- Transfers. *d.* every transfer of such undertakings.
- Transmitting of report to Board. **26.** Every distributor shall, each year, at the date fixed by the Board, transmit to the latter a sworn report, setting forth:
- Contents of such report. *a.* the name, firm name or corporate name of such distributor;
- b.* in the case of a corporation, its then present capital stock, the various issues of securities made since the establishing of the undertaking, and the names of the directors;
- c.* the assets, liabilities, receipts and expenditures of such distributor for the year covered by the report;
- d.* the annual output of electricity in kilowatt hours and the capacity of the generating plants of such distributor, and the quantity sold in the same period;
- e.* the actual value of the physical assets of the undertaking and the total of the expenses enumerated in section 13;
- f.* all the rates charged during the year covered by the report;
- g.* any other information which the Board may demand.

In the case of undertakings in existence at the coming into force of this act, every distributor must transmit such report within sixty days from the Board's request for same. Delay in certain case.

REMUNERATION AND EXPENSES

27. All expenses of the Board, including the remuneration, salaries and wages of the controllers and of the persons mentioned in section 18, shall be paid by the distributors in accordance with the rules laid down by the Lieutenant-Governor in Council. Payment of Board's expenses.

28. The Lieutenant-Governor in Council may authorize the Provincial Treasurer to advance to the Board, as a loan, out of the consolidated revenue fund, the sums required by it for the carrying out of this act. Advance authorized.

The Lieutenant-Governor in Council may, however, order the payment, wholly or partly, of such advances, by means of loans for not more than thirty years, bearing interest at rates not exceeding four per cent per annum. Loans optional.

The Board shall repay such advances to the Government out of the sums collected from the distributors, under section 27, as soon as they are collected. Repayment of advances.

REPORT BY BOARD TO LIEUTENANT-GOVERNOR IN COUNCIL

29. The Board shall make a report to the Lieutenant-Governor in Council, at the date determined by the latter: Making of report by Board.

a. of the applications made to the Board and of the orders issued by it since the beginning of its functions or, as the case may be, since its last report; Contents of such report.

b. of the number, nature and result of the investigations made during the same period.

The Board shall, in addition, supply the Lieutenant-Governor in Council with any other information he may require. Additional information.

Such report must be laid before the Legislative Assembly in the first three weeks of the ensuing Session. Laying before Assembly.

INFRINGEMENTS AND PENALTIES

Offence and penalty. **30.** Every distributor infringing any provision of this act or of an order of the Board shall, in addition to the costs, be liable to:

- a. cancellation of license;
- b. confiscation, in favour of the contributory fund of the Board, of any sum which such distributor has paid into it; and
- c. a fine of not less than five thousand dollars nor more than twenty thousand dollars.

Recovery of fine. **31.** The fine contemplated in paragraph c of section 30 shall be recovered by ordinary action before the Superior Court. Such action shall be deemed summary matter and the case must be heard with precedence over every other case. The judgment of the Superior Court shall be final and without appeal.

REGULATIONS BY THE LIEUTENANT-GOVERNOR IN COUNCIL

Regulations which may be adopted by Lt.-G. in C. **32.** The Lieutenant-Governor in Council may adopt regulations:

- a. to fix the duties exigible for the licenses provided for under section 21 and for the authorizations provided for under section 25;
- b. to provide for the proper working of this act and of the Board;
- c. to prescribe the procedure respecting the examination, evidence, hearing and the decision of any question submitted to the Board.

GENERAL PROVISIONS

Restriction as to period of certain contracts, etc. Contracts shortened. **33.** No contract or agreement between a distributor and any municipal corporation, for the sale of electricity, may be made for a period exceeding five years. The duration of any contract or agreement contemplated in the first paragraph exceeding such period is reduced to five years.

Authenticity of writings, etc. **34.** Any writing or document concerning the Board or its operations, signed or attested by the secretary of

the Board in his official capacity, shall be authentic and be proof of its contents, without the necessity of proving the signature thereof.

35. This act shall not apply to:

a. the body created in virtue of the Act to establish and assure State competition respecting hydro-electric resources;

b. municipal corporations operating any electricity service whatsoever, saving the provisions of the second paragraph of section 15.

Application
restricted.

36. The act 25-26 George V, chapter 24, is repealed.

25-26 Geo.
V, c. 24,
repealed.

37. This act shall come into force on the 1st of September, 1937.

Coming into
force.

