

Régie de l'énergie  
2013-2014 :: Annual Report

Québec's  
Energy  
Tribunal

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## Mission of the Régie de l'énergie ::

The Régie de l'énergie is an economic regulation agency. Its mission is to foster the conciliation of the public interest, consumer protection and the fair treatment of the electricity carrier and distributors. The Régie strives to ensure that energy needs are satisfied while promoting sustainable development as well as individual and collective equity. To this end, the Régie fixes and modifies the rates and conditions for the transmission of electric power by the electricity carrier, the distribution of electric power by the electricity distributors, and the supply, transmission, delivery and storage of natural gas by the natural gas distributors. In fixing and modifying rates, the Régie favours the use of incentives to improve the performance of the electricity carrier, the electricity distributor and the natural gas distributors, and to promote the satisfaction of consumer needs. The Régie examines consumer complaints about decisions rendered by the electricity carrier, the electricity distributor or a natural gas distributor concerning the application of the rates or conditions of service.

The Régie also monitors the prices of petroleum products and steam.

# Message from the Chair

**2013-2014** was a busy year for the Régie de l'énergie. The challenge of maintaining the reputation for excellence and the credibility of the Régie with its interveners was met: the Régie handled more cases expeditiously and studied new issues.



The Régie was also able to gain the confidence of the interveners in dealing with the economic, social and environmental issues that were raised in the course of its study of its cases.

The Régie's decisions affects the energy bills of all consumers of electricity and natural gas, the development of several industries and choices of energy sources. The depth and rigour of its analysis of cases shows a will to render decisions that take into account all of the issues and respect the interveners and all energy consumers.

An administrative reorganization and the approval of new policies contributed to more efficient, integrated and transparent management of the Régie.

In 2014-2015, new issues will emerge. The Régie has prepared for them by reviewing its strategic plan and supporting the skills development of its personnel.

**The Régie developed the confidence of interveners as it dealt with the economic, social and environmental issues raised in the cases it studied.**

None of our accomplishments could have been possible without the conscientious contribution of each of the staff members of the Régie, a dynamic and committed team that rendered enlightened decisions to satisfy Québec's energy needs. My thanks to all of them.

**Diane Jean**

Chair

# History and Jurisdiction

The Régie de l'énergie was created by virtue of the *Act Respecting the Régie de l'énergie* (CQLR, c. R-6.01) on June 2, 1997, with the powers needed to regulate the electricity and natural gas sectors. Its creation responded to the exigencies of the liberalization of the North American electricity market, including the guarantee of non-discriminatory access to markets.

Québec is called to offer a form of reciprocity in electricity transmission, so that Canadian and American companies can benefit from equivalent conditions in the Québec market that Québec companies seek in their markets. The decisions of the Federal Energy Regulation Commission (FERC), the US federal energy regulator, are direct and clear on this. In Canada, the Agreement on Internal Trade adds a further dimension to the move to greater interaction between electricity markets.

In the electricity and natural gas sectors, the powers of the Régie are decisive: its decisions are final and cannot be appealed. This is a fundamental point, guaranteeing the authority of the Régie, whose powers are thus analogous to those of most North American regulators. The Régie has, in particular, all of the credibility needed with other North American regulators to authorize electricity transmission rates and guarantee access to export markets. The creation of the Régie also brought transparency and equity to the operation of Québec's energy sector.

In addition to its responsibilities for setting rates and conditions of service in the electricity and natural gas sectors, the Régie has also been given responsibility for examining the complaints of electricity and natural gas consumers, as well as monitoring responsibilities, for example to monitor the prices of petroleum products.

The tables below summarize the powers of the Régie by form of energy ::

## All forms of energy :: Advises Minister

- On any energy matter the Minister refers to it
- On its own initiative, on any matter within its powers



## Natural gas :: Distribution and supply

- Two natural gas distributors: Gaz Métro and Gazifère
- Sets rates for distribution, delivery or storage, with incentive mechanisms to improve the performance of distributors
- Approves supply plans of distributors and the budgets for energy efficiency programs
- Authorizes investment projects
- Monitors operations (sufficient supply and fair rate)
- Approves commercial programs
- Examines consumer complaints.

## Electricity ::

### Hydro-Québec Distribution

- Sets distribution rates on a cost of service basis, including a reasonable rate of return
- Since 2013, the Régie must establish an incentive regulatory mechanism to ensure efficiency gains at Hydro-Québec Distribution
- Rate-setting respecting territorial uniformity by category of consumers and the maintenance of cross-subsidization as required by the Act
- Approves rates for load management
- Approves the budgets for energy efficiency programs
- Approves conditions of service
- Approves the supply plan and the features of Hydro-Québec Distribution supply contracts
- Approves Hydro-Québec Distribution's commercial programs, including those for independent electricity distribution networks
- Monitors operations (sufficient supply and fair rate)
- Examines consumer complaints.

### Supply

- Heritage pool of 165 TWh, whose cost allocated to each category of consumer, is established on the basis of an average cost for heritage electricity supply of 2.79 ¢/kWh, fixed in the Act
- Since 2014, this cost of heritage pool electricity has been indexed to inflation for the entire customer base, except for large-power industrial customers (Rate L)
- Beyond the heritage pool, Hydro-Québec Distribution obtains its supply at the lowest price following a competitive process. In this regard, the Régie approved a call for tender process and a code of ethics by which it monitors the respect for this process. It must approve the supply contracts that result from this process
- The Régie also approves the process for purchasing programs for electricity from renewable sources (e.g. biomass)
- The government can define the conditions of acquisition of blocks of energy by decree (e.g. wind power).

### Hydro-Québec TransÉnergie

- Setting of native load and point to point rates with incentive mechanisms to improve the performance of Hydro-Québec TransÉnergie
- Establishment of rates based on cost of service including a reasonable return
- Since 2013, the Régie must establish an incentive regulatory mechanism to ensure efficiency gains at Hydro-Québec TransÉnergie
- Approval of conditions of service
- Rates respecting territorial uniformity are required under the Act
- Adoption and monitoring the application of reliability standards for Hydro-Québec TransÉnergie's network
- Authorization of investment projects
- Monitoring of Hydro-Québec TransÉnergie's operations and non-discriminatory access to the network
- Processing of complaints from Hydro-Québec TransÉnergie customers.

## Petroleum products and steam ::

- Powers of oversight, inspection, and inquiry concerning the sale and distribution of petroleum products or steam provided or distributed by pipes for heating purposes
- Power to fix for three years an amount for the operating cost of a gasoline or diesel retailer (next date for this is in 2015) in order to apply Section 67 of the *Petroleum Products Act*
- Power to include and remove the amount for operating costs of a gasoline or diesel retailer in the costs that a retailer must incur. The Régie then specifies the period and the zone where the decision applies
- Daily calculation of the estimated minimum price (indicator of the cost of acquisition)
- Daily report of regular gasoline prices
- Weekly publication of an information bulletin on petroleum product prices, the Bulletin d'information sur les prix des petroleum products.

# Operations

The Régie is the economic regulatory tribunal for the energy sector. It includes, along with the Chair and Vice-Chair, a team of 10 commissioners, seven permanent and three supernumerary, appointed by the government on the basis of their expertise. The Chair coordinates and allocates the work of the commissioners, is responsible for the administration of the Régie and manages its personnel. In this, she is advised by a management committee composed of senior managers of the Régie.

The Régie, as an administrative and impartial tribunal, studies the applications that are submitted to it through hearings or written consultations or other mechanisms as provided for by the Act and the *Regulation respecting the Procedure of the Régie de l'énergie*. In the exercise of its functions, it must respect the rules of natural justice and render decisions that are reasonable and non-discriminatory.

As a specialized tribunal, the Régie must have specific and advanced knowledge and expertise in order to analyze properly the requests and the evidence that is submitted to it. Therefore, the commissioners and employees are specialists in the energy sector and economic regulation who are chosen and appointed on the basis of the quality and relevance of their experience and training.

AS OF MARCH 31, 2014

10  
commissioners

7 PERMANENT + 3 SUPERNUMERARY

82  
employees

77 PERMANENT + 5 OCCASIONAL



The Régie has a light structure that includes the office of the Chair and five sectors. Most of its employees are at the head office, in Montréal, where most of its activities and hearings take place. The Régie also has an office in Québec City where it can hold conciliation sessions for the clientele of the capital region and Eastern Québec.

LEFT TO RIGHT:  
VÉRONIQUE DUBOIS,  
SOPHIE GINER AND  
ALEXANDRE DE REPENTIGNY



# Team



LEFT TO RIGHT:  
STEEVES DEMERS,  
ALAIN DANEAU,  
DANIEL SOULIER AND  
CLAUDE TISSIER

To perform its functions, the Régie relies on a multidisciplinary team of 82 people: economists, accountants, engineers, lawyers, etc. who, like the commissioners, look at all of the evidence that is submitted by the interveners in the cases that are studied, and who advise the commissioners and make recommendations to them regarding decisions to be rendered.



LEFT TO RIGHT:  
SUZANNE TREMBLAY,  
LISETTE THIBODEAU  
AND ALAIN R. PAGÉ

The commissioners come from the fields of energy, the environment, law, government relations and other legal and business fields. To render the best decisions they hear the interveners and their testimony, in oral hearings or written cases, and with the support of the technical and legal services they analyze the evidence submitted before making their decisions. The commissioners exercise their quasi-judicial power in full autonomy and impartiality.

# Commissioners

## Chair and Commissioner

**Diane Jean** :: economist by training, she has worked for more than 30 years in the Québec public service in professional and senior management roles, and as deputy minister. She was appointed to the Régie de l'énergie on February 21, 2013.

## Vice-Chair and Commissioner

**Gilles Boulianne** :: economist by training, he worked in various economic advisory roles in the energy sector for the ministère des Ressources naturelles et de la Faune. He was appointed to the Régie de l'énergie on April 11, 2005.



## Commissioners

**Lise Duquette** :: lawyer and MBA by training, she has worked in various roles at Gazoduc Trans Québec & Maritimes and Gaz Métro. She was executive assistant to the Chairman of the Régie de l'énergie until her appointment as commissioner on August 19, 2009.

**Françoise Gagnon** :: engineer with a bachelor degree in science and applied science (geology) as well as a certificate in administration, she has more than 17 years' experience in mine operation and exploration. She was appointed to the Régie de l'énergie on October 11, 2011.

**Bernard Houle** :: bachelor of science, specialized in mathematical economics, with a post masters qualification in international economic relations. With 30 years of government experience as expert advisor and manager, he was appointed to the Régie de l'énergie on July 22, 2013.

**Pierre Méthé** :: bachelor in political science and experience in Canadian, Québec and municipal administration, he was appointed Commissioner on February 2, 2012. Previously, he had worked as Director of Communications and Special Projects for the Régie.

COMMISSIONERS  
FRANÇOISE GAGNON,  
MARC TURGEON AND  
LOUISE PELLETIER,  
AS WELL AS  
JOHANNE LEBUIS





COMMISSIONERS  
LISE DUQUETTE,  
GILLES BOULIANNE AND  
PIERRE MÉTHÉ,  
AS WELL AS  
JOHANNE GAULIN

**Louise Pelletier** :: bachelor in economics and MBA, she has worked for more than 30 years in the transportation industry. She was a commissioner for the Commission des transports du Québec from 1999 to 2005 and from 2010 to 2013, supernumerary commissioner at the Régie de l'énergie from 2008 to 2010. She was appointed permanent commissioner on August 12, 2013.

**Laurent Pilotto** :: bachelor and master in economics, he has worked in the energy field for nearly 30 years, notably with Hydro-Québec and with the Régie since 2002. He was appointed commissioner with the Régie de l'énergie July 11, 2013.

**Louise Rozon** :: lawyer with a bachelor degree in social services, she worked in consumer associations, notably as director of Option consommateurs from 1989, until her appointment as commissioner with the Régie de l'énergie on June 13, 2005.

**Marc Turgeon** :: lawyer with a bachelor degree in art history, he has focused on environmental and energy issues for some twenty years. Before his appointment as commissioner with the Régie de l'énergie on July 3, 2007, he was director general of the Centre québécois du droit de l'environnement and chairman of the Regroupement national des conseils régionaux de l'environnement du Québec.

COMMISSIONERS  
BERNARD HOULE,  
LOUISE ROZON AND  
LAURENT PILOTTO,  
AS WELL AS  
ISABELLE TALEYSSAT



# Budget

The Régie is an autonomous and extra-budgetary organism. It is financed through duties paid by the electric power carrier, the electric power distributors, including Hydro-Québec when carrying on distribution activities, the natural gas distributors, and petroleum product distributors exceeding 100 million litres, in accordance with the *Regulation respecting the annual duty payable to the Régie de l'énergie* and according to the user pay principle. Thus, the duties are set on the basis of the share of the workload the Régie performs in electricity, natural gas, petroleum products, steam and fuels (either by specific form of energy or on the specific occasion of activities covering more than one form of energy). Its budget is approved annually by the government.

# Organization Chart

**Chair ::** Diane Jean

**Vice-Chair**

Gilles Boulianne

**Internal Audit**

Suzanne Tremblay

**Commissioners**

Lise Duquette  
Françoise Gagnon  
Bernard Houle  
Pierre Méthé  
Louise Pelletier  
Laurent Pilotto  
Louise Rozon  
Marc Turgeon

**Legal Services**

Louis Legault

Legal Services personnel act as legal advisors in matters of interpretation of laws and regulations. They also respond to requests from commissioners by advising them in the preparation of decisions or in advising the government. Therefore, the legal advisors act in the role of solicitor, representing the Régie and questioning the interveners during hearings. Also, they work on the preparation of regulations and of various legal texts required in the administration of the Régie.

**Secretariat**

Véronique Dubois

The Secretariat is the front door for most contacts with the Régie. It is the spokesperson and sole contact with interveners and plaintiffs. It is responsible for internal communications and media relations. It includes Institutional Affairs.

**Institutional Affairs**

Sophie Giner

This directorate includes three services: the Office of the Clerk, the Telephone Information service, and the Documentation Centre.

**Planning and Regulation Directorate**

Alain Daneau

Planning and Regulation includes the Electricity Distribution, Electricity Transmission and Natural Gas and Petroleum Products directorates. These groups make recommendations following analysis of requests by regulated companies regarding rates, investments, supply plans and for consumer complaints.

**Electricity Distribution Directorate**

Claude Tissier

This directorate ensures the analyses and recommendations needed for regulatory cases, as well as monitoring the calls for tenders launched by the Distributor.

**Natural Gas and Petroleum Products Directorate**

Steeves Demers

This directorate ensures the analyses and recommendations needed for applications by Gaz Métro and Gazifère, as well as the monitoring of petroleum products.



LEFT TO RIGHT: GINETTE ROY, DIANE JEAN, PAUL LETENDRE, MARYSE LANGLOIS AND PIERRE TOURIGNY

### **Budget, Administration and Personnel Directorate**

Lisette Thibodeau

This directorate includes the Budget and Administration service which is responsible for all aspects of budget control of the operations and contracts of the Régie. It ensures respect of the legislative and regulatory dispositions related to the management, contracts with public organizations and budget rules. The Personnel service ensures the development and updating of policies, directives and collective agreements, as well as all aspects of ethics.

### **Information and Technical Services Directorate**

Alain R. Pagé

This directorate offers information technology and information security services to the Régie, as well as material resources services. This directorate ensures compliance with the Action Plan for Sustainable Development and its principles, notably an ecologically responsible purchasing policy.

### Head Office

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 TOUR DE LA BOURSE  
 800 SQUARE-VICTORIA ST.  
 SUITE 2.55  
 MONTREAL QC H4Z 1A2

### Regional Office

1200 DE L'ÉGLISE  
 SUITE 3.10  
 QUEBEC QC G1V 5A4

### **Electricity Transmission Directorate**

Daniel Soulier

This directorate ensures the analyses and recommendations needed for requests by the electric power carrier, as well as those related to electricity transmission network reliability.

# 2013-2014 Highlights

## A growing number of cases, interveners, and observers ::

During 2013-2014, the Régie saw major regulatory activity. It dealt with 48 regulatory requests and rendered 216 decisions on regulatory matters and complaints, 17% more than the previous year. It held 74 days of hearings in regulatory cases, and 27 complaints hearings.

This year the Régie allowed a greater number of groups, associations and companies to intervene and take part in its work. It recognized the participation of 63 groups, associations and companies, 37% more than in the previous year.

In the cases submitted to it, the Régie analyzed a large volume of documents, expert reports, and observations by various groups and individuals. In the case to set the rate of return of Hydro-Québec TransÉnergie and Hydro-Québec Distribution, five expert reports were studied. In the case of Phases 2 and 3 related to Hydro-Québec's meter replacement program, more than 450 observations by interested parties were analyzed. The Régie also handled nearly 1,700 e-mails from citizens.

## New issues ::

The Régie implemented innovative solutions and showed flexibility, notably in the 2013-2014 Gaz Métro rate case. It had to respond and rapidly set up several hearings in order to ensure adequate supply and adapt to rapid major changes in the natural gas market, notably in the transmission of natural gas by pipeline.

At the request of the interveners, the Régie examined new issues related to the validity of certain decrees adopted by the government regarding calls for tenders related to different blocks of wind energy.



## Administration ::

The Régie reviewed all of its policies, directives and practices in 2013-2014 and adopted new internal policies regarding, notably, operating costs, travel, business meetings, and approval of expenses. It also proceeded with an administrative reorganization intended to respond more effectively to the essential requirements of efficient and transparent management.

## Information technology ::

The Régie installed Version 1.1 of its Electronic Deposit System and pursued the installation of a similar system for the electricity transmission reliability standards regime.

In the 2013-2014 financial year the Régie also implemented an intranet for its personnel, a valuable internal communication tool providing access to various documentation, ranging from regulatory news to hearings under way to decisions rendered.

## Gasoline retail operating costs ::

In June 2013, the Régie established 3.5 ¢/liter as the amount of operating costs of a gasoline or diesel fuel retailer. To accomplish this, it reviewed in detail all of the components of this operating costs as well as the efficient gas station model.



# Summary of Activities

## The Régie de l'énergie :: A major economic player in Québec

Decisions that have an impact on the bills of all electricity and natural gas consumers in Québec, on the economic vitality of Québec, and on the development of several industries in Québec and of new sources of supply which could reduce emissions of greenhouse gases

DECISIONS RENDERED  
BY THE RÉGIE  
IN 2013-2014

36

ELECTRICITY DISTRIBUTION

30

ELECTRICITY TRANSMISSION

12

ELECTRICITY TRANSMISSION AND  
DISTRIBUTION COMBINED

62

NATURAL GAS

02

PETROLEUM PRODUCTS

74

CONSUMER COMPLAINTS

216

TOTAL



### Regulatory activities :: Of interest to all citizens of Québec

Through its regulatory activities, including rate decisions, authorization of investments, or monitoring of the activities of the companies it regulates, the Régie sees to it that the rates paid are fair and reasonable.

It also ensures that the necessary investments are made to maintain and extend the electricity transmission, electricity distribution and natural gas networks. The Régie also ensures that the regulated companies respect the standards and conditions of service that it sets. Finally the Régie examines and rules on complaints by consumers against energy distributors.

During 2013-2014, 48 regulatory requests and 153 complaints were submitted to the Régie. The study of these requests and complaints took 101 days of hearings, 16 working sessions, 5 preparatory meetings, and 57 conciliation sessions.

# Client Relations



## Public information

The Régie's telephone information service answered 2,979 requests by consumers regarding all energy sectors, a more than 10% increase over the previous year.

Also, the Régie answered a continually growing number of emails from the public on subjects that ranged from general matters to specific cases, such as the plan by Hydro-Québec to install remotely-read meters. It answered nearly 1,700 emails from researchers, consumers and the general public regarding various matters under its jurisdiction, but mainly on the case of Hydro-Québec's plan to install remotely-read meters. To this was added about 300 letters requesting information, also mainly about the Hydro-Québec meter case, that required the attention of the Secretariat of the Régie de l'énergie.

Its Documentation Centre also answered 134 requests for documentation or research requests on various energy-related topics.

1 700  
EMAILS RECEIVED

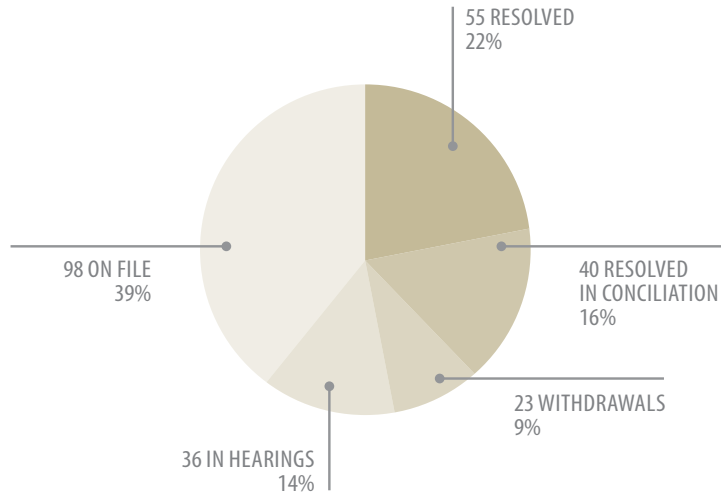
2 979  
REQUESTS FOR INFORMATION

134  
RESEARCH REQUESTS

57  
CONCILIATION SESSIONS



## TREATMENT OF COMPLAINTS



## Consumer complaints

In the exercise of its jurisdiction regarding complaints by electricity and natural gas consumers, the Régie received 153 complaints this year, a reduction from the previous year, which had been exceptional with 64 complaints lodged regarding Gaz Métro connection fees.

In its treatment of these complaints, the Régie held 57 conciliation sessions this year. In the same period, 252 cases were settled. Of these, 55 were settled by agreement between the parties and 40 were resolved through conciliation, a slight increase over the previous year. In 2013-2014, the Régie successfully pursued its offer of a free conciliation service intended to find winning solutions for distributors and their customers in the matters that brought them into contention, and a better understanding of the conditions of service and the applicable rates. The rate of resolution for cases in conciliation was 65% this year, an improvement over 2012-2013.

As for the cases that were not resolved by conciliation or other means, 98 were dealt with by commissioners based on the file, and 36 in hearings. Also, 23 cases were withdrawn by the plaintiffs.

Thus, more than 47% of the consumer complaint cases were resolved before a decision was rendered by the Régie, while 53% of the cases led to decisions. This is explained mainly by the fact that the block of 64 cases submitted regarding Gaz Métro connection fees were not treated in conciliation sessions but rather were studied together for a decision. To facilitate the treatment of some case, the Régie held working sessions and preparatory meetings.

## Participation in regulatory work

### Reimbursement of intervener costs

The Régie can order the electric power carrier or any electricity or natural gas distributor to pay all or part of the expenses related to issues that fall under its jurisdiction. When the public interest justifies it, the Régie may pay such costs to groups of individuals who come together to participate in public hearings. The amount of these costs is established in the *Act Respecting the Régie de l'énergie*, the Regulation respecting the procedure of the Régie de l'énergie and the Intervener Costs Payment Guide.

In 2013-2014, the Régie authorized the reimbursement of \$2,321,726 for intervener costs.

### Intervener costs

From April 1, 2013 to March 31, 2014

Electricity	\$1,040,309
Natural gas	\$1,281,417
Fuels	\$0
<b>Total</b>	<b>\$2,321,726</b>

## Participants in the process of the Régie

Association coopérative d'économie familiale de l'Outaouais – **Association coopérative d'économie familiale de Québec** – Association des hôteliers du Québec – **Association des redistributeurs d'électricité du Québec** – Association des restaurateurs du Québec – **Association pétrolière et gazière du Québec** – Association québécoise de la production d'énergie renouvelable – **Association québécoise de lutte contre la pollution atmosphérique** – Association québécoise des consommateurs industriels d'électricité – **Association québécoise des indépendants du pétrole** – Brookfield Energy Marketing – **Canadian Federation of Independent Businesses** – Canadian Fuels Association – **Canadian GeoExchange Coalition** – Communautel Inc. **Consultants forestiers DGR Inc.** – Corporation des propriétaires immobiliers du Québec Inc. (CORPIQ) – **Costco Wholesale Canada Ltd.** – Deloitte Inc. – **Domtar Inc.** Énergie La Lièvre s.e.c. – **ForSAK TechnoCom Inc.** – Fortress Paper – **Gazifère Inc.** Groupe AXOR Inc. – **Groupe de recherche appliquée en macroécologie** – Hydroméga Services Inc. – **Hydro-Québec - Direction Contrôle des mouvements d'énergie** Hydro-Québec Distribution – **Hydro-Québec TransÉnergie** – Hydro-Westmount **Imperial Oil** – Industrial Gas Users Association – **Intragaz Inc.** – La Coalition **Manicouagan Power Limited Partnership** – Newfoundland and Labrador Hydro – **Ontario Power Generation** – Option Consommateurs – **Procureur général du Québec** – Quebec Forest Industry Council – **Questerre Energy Corporation** Raymond Chabot Grant Thornton – **Regroupement des organismes environnementaux en énergie** – Regroupement national des Conseils régionaux de l'environnement du Québec – **Rio Tinto Alcan** – Resolute Forest Products – **Société en commandite Gaz Métro** – Société en Commandite Hydroélectrique Manicouagan **Stratégies énergétiques** – Suncor Energy Inc. – **Talisman Energy** – The Association of Wireless Internet Service Providers of Canada – **Thibaudeau-Ricard Inc.** TransCanada Energy Ltd. – **TransCanada Pipelines Ltd.** – Tshuetin Énergie **Ultramar Ltée** – Union des consommateurs – **Union des municipalités du Québec** Union des producteurs agricoles – **Ville de Saint-Jérôme** – Ville de Terrebonne



# 5,3%

AVERAGE INCREASE  
IN GAZIFÈRE DISTRIBUTION RATES  
ON JANUARY 1, 2014

# \$6.7 million

INVESTMENTS BY GAZIFÈRE  
AUTHORIZED BY THE RÉGIE

# \$137.4 million

INVESTMENTS BY GAZ MÉTRO  
AUTHORIZED BY THE RÉGIE

# \$26.7 million

GAZIFÈRE REVENUE REQUIREMENTS  
AUTHORIZED BY THE RÉGIE

# \$54.7 million

REVENUE REQUIREMENT  
AUTHORIZED BY THE RÉGIE,  
PROJECTED BY GAZIFÈRE FOR PURPOSES  
OF SUPPLYING SERVICE INCLUDING  
THE COST OF GAS, TRANSMISSION  
AND LOAD BALANCING.

# Activities

# Natural gas

**The Régie de l'énergie sets rates and conditions of service and authorizes the investments of distributors Gazifère Inc. (Gazifère) and Société en commandite Gaz Métro (Gaz Métro). It also approves their annual supply plans, which has a direct impact on the rates paid by all consumers of natural gas.**

## Gazifère

The Régie approved an increase in revenue requirements of \$1.4 million for distribution for the 2014 rate year. The average rate increase, including the cost of gas, transmission and balancing applicable to the customers of this distributor as of January 1, 2014 was 5.3%. For this same year, projected revenue requirements for the provision of service were established at \$54.7 million.

The Régie also approved investments of \$6.7 million for extensions and modifications of the Gazifère distribution network.

## Gaz Métro

Gaz Métro's request for a rate increase effective October 1, 2013 was still under study on March 31, 2014. The Régie maintained a rate of return of 8.9% on the equity of Gaz Metro shareholders on June 6, 2013.

The Régie also partially approved the supply plan for Gaz Métro, conditional upon the submission of a new formula for forecasting peak demand. Taking into account the date of the request and the schedule for the processing of the rate case, the Régie provisionally upheld the application of existing rates and conditions of service as of October 1, 2013.

The Régie rendered decisions regarding the pipeline relocation projects in Drummondville, Malartic and below the Louis-Bisson bridge on Highway 13 between Montréal and Laval, as well as regarding the investment project for prolonging the network in Terrebonne. In November 2013 the Régie began its study of the case of the allocation of costs and the tariff vision of Gaz Métro.

The Régie also began the determination of the status of its client Gaz Naturel Liquifié in order to apply the conditions of service, rates and cost allocation between the regulated activity and the non-regulated liquefaction, storage and regasification activities of Gaz Métro.

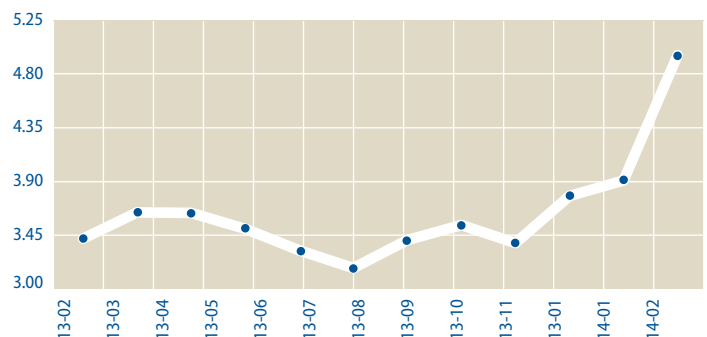
Finally, the Régie authorized total investments of \$137.4 million for Gaz Métro.

## Intragaz

At the end of the year, the Régie rendered its decision regarding the request by Intragaz to obtain authorization for investments to increase the capacity of its Pointe-du-Lac storage facility. This request flows from Decision D-2013-081 in which the Régie ordered Intragaz to submit preliminary authorization requests for any investment project exceeding \$2.5 million.

### Monthly movements in network gas prices ::

Gaz Métro - \$/GJ



# Activities

# Electricity

**The Régie de l'énergie sets the rates and conditions of service and authorizes the investments of Hydro-Québec in its transmission and distribution activities. It approves the supply plans of Hydro-Québec Distribution every three years. The 2014-2023 supply plan was submitted on November 1, 2013.**

## Establishing electricity rates

Until 2014 electricity rates were set by the cost of service method, with the same method for establishing return on equity that was adopted by the Régie in 2002.

Establishing rates by the cost of service method consists of first adding all of the costs necessary to provide the service, including Hydro-Québec Distribution's rate of return. In the case of the Electricity Distributor, the cost of purchasing supply and of the transmission service are part of the cost of service. For example, the revenue requirement requested for 2014 was \$11,303.3 million, allocated as shown opposite.

Second, this cost of service is allocated among the different categories of consumers in order to reflect the cause of the costs incurred to meet demand.

Finally, the rates of each category of consumers are established taking into account the costs allocated to them, the degree of cross-subsidization between the categories of consumers and the public interest (see Revenue by Category of Consumers in 2014).

However, the Régie recognized that in recent years both Hydro-Québec Trans Énergie and Hydro-Québec Distribution benefitted from returns higher than authorized. It therefore requested the two companies to propose a mechanism for dealing with differences in returns. They did this in Spring 2013, requesting among other things an upward modification of their rate of return. One more step was therefore added to the electricity rate-setting process for the year beginning April 1, 2014, which is the establishment of a rate of return and the study of a mechanism to deal with differences in the rate return.

### COST OF ELECTRICITY SERVICE IN 2014



SUPPLY: \$5,454.0 MILLION

48%

+



TRANSMISSION: \$2,739.3 MILLION

24%

+



DISTRIBUTION: \$3,110.0 MILLION

28%

TOTAL: COST OF SERVICE

\$11,303.3 million

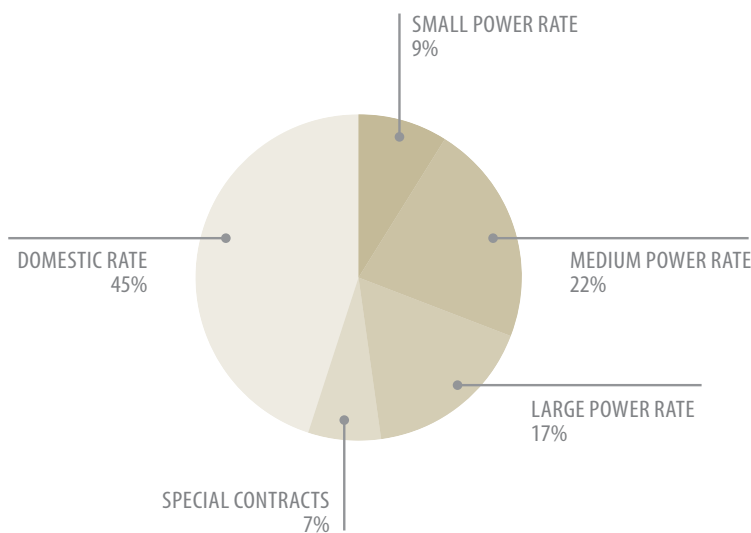
# Transmission and distribution

Hydro-Québec TransÉnergie and Distribution requested a rate of return of 9.2% based on those authorized for two examples of public service corporations, one Canadian and one American. After analyzing the arguments submitted by Hydro-Québec and by consumer associations, the Régie fixed the rate of return on capital for Hydro-Québec at 8.20%.

The Régie established a mechanism for dealing with differences in returns for Hydro-Québec Distribution that uses the following method:

- The allocation of equal parts for Hydro-Québec and its customers of any positive difference, for the first 100 basis points;
- The allocation of 25% to Hydro-Québec and 75% to its customers of positive differences beyond 100 basis points;
- The assumption by Hydro-Québec of returns lower than the authorized rate.

2014 REVENUE BY CATEGORY OF CONSUMER



36

DECISIONS RENDERED BY THE RÉGIE REGARDING HYDRO-QUÉBEC DISTRIBUTION

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DECISIONS RENDERED BY THE RÉGIE REGARDING HYDRO-QUÉBEC TRANSÉNERGIE

12

DECISIONS REGARDING BOTH ELECTRICITY TRANSMISSION AND DISTRIBUTION



# Electricity distribution

The Régie authorized an average increase of 4.27% for all rates and of 3.45% for Rate L (applicable only to large industrial customers), effective April 1, 2014. This rate adjustment will allow Hydro-Québec Distribution to recover the required revenues of \$11,303.3 million and to collect additional required revenues of \$416 million for 2014, due to the increase in the rate of return on equity, the cost of new wind farms, and the indexation of the price of heritage electricity.

Also, the Régie authorized investments under \$10 million, up to a total of \$569.4 million. These investments are in addition to major projects already authorized or to come. In all, Hydro-Québec Distribution investments for 2014 are set at \$923.4 million.

The Régie also approved a \$135 million budget for Hydro-Québec Distribution's energy efficiency plan for 2014. The Régie considered the changes to the programs for residential and business customers made by Hydro-Québec Distribution to be reasonable and justified. Hydro-Québec Distribution projects energy savings of 464 GWh under the energy efficiency plan in 2014.

Regarding the rates and conditions of service of the Distributor, the Régie accepted, among other items, the introduction of the new rate LG for large power customers, with rate L still applicable to heavy industry.

On November 1, 2013, Hydro-Québec Distribution submitted its supply plan for 2014-2023. The Régie began the study of this file, to be concluded in the Autumn of 2014.

A call for tenders for 450 megawatts (MW) of wind power was authorized by decree and launched on December 18, 2013. The Régie is currently studying the selection grid for bidders and it will also monitor the call for tenders process. Another call for tenders is under study for the acquisition by the Distributor of balancing services to facilitate the integration of wind power. The Régie will rule on the features of this service.

The next-generation electricity meter project (remotely-read meters), is intended to replace 3.75 million electricity meters and to install information technologies and an advanced measuring system during the 2012-2018 period. This project addresses the renewal of electricity meters, efficiency gains in the Distributor's operations, and the offer of new services to customers. The total cost of the meter project, including the cost of preparatory work and pilot projects, is \$997.4 million.

Phase 1 of the meter project, authorized in the autumn of 2012, was intended for the replacement of 1.7 million meters in the Greater Montreal region, along with the purchase and installation of the required routers and collectors during the 2012-2014 period. Its cost is \$440.5 million.

Phases 2 and 3, submitted in November 2013, were studied by the Régie, which held hearings. To date more than 1.3 million next-generation meters have been installed. The Régie indicated that in the study of these two further phases it would not revisit the debates on radio frequencies or alternative technologies, but rather concentrate on the costs and timeline of the project, the achievement of economies and efficiencies and on Hydro-Québec Distribution's communication plan.

On May 29, 2013, the National Assembly unanimously approved a motion demanding that Hydro-Québec evaluate options that would not penalize customers who refuse smart meters, and allow it to offer another type of meter without additional charges. The Québec government also adopted a decree in December 2013 which stated its concern regarding rates covering the option to refuse smart meters, and inviting the Régie to take into consideration the recommendations of the National Assembly in its May 2013 motion.

Since that time, the Régie has received many written observations by Hydro-Québec customers on the subject of the option to refuse. Hydro-Québec must submit a request to the Régie to modify the refusal option by the first quarter of 2014-2015.



# Electricity transmission

For electricity transmission rates, the Régie approved a revenue requirement of \$2,934.1 million for 2013 and \$3,138.8 million for 2014.

For investment in electricity transmission, the Régie rendered decisions in 13 requests for authorization to purchase and to build electricity transmission assets. Investments of more than \$2.3 billion were authorized for various projects, the majority of which were to maintain electricity transmission assets. The project for balancing services to facilitate the integration of wind power that resulted from the call for tenders of the Distributor (A/O 2009-02) by itself represents investments in the range of \$280 million by 2018.

Regarding electricity transmission reliability in Québec, the Régie pursued its efforts begun in 2009 to establish mandatory reliability standards for electricity transmission in Québec. In this regard, many activities must be completed, including:

- The adoption of reliability standards for Québec;
- The approval of a registry of the entities aimed by these standards;
- The approval of a guide of sanctions applicable to infractions;
- The conclusion of an agreement for the supply of expertise for monitoring compliance with and application of the reliability standards.

In 2011 a major decision by the Régie defined the framework of Québec's mandatory reliability regime, in conformance with the Act. It accepted the content of the 95 standards of the North American Reliability Corporation (NERC) and the supporting and complementary documents submitted in 2009 by the Québec Reliability Coordinator.

Following the submission of 18 modified standards by the Reliability Coordinator after this decision, the Régie adopted 12 standards in July 2012. In October 2013, it adopted 35 standards, (including the re-adoption of 11 standards). In March 2014, the Régie adopted 7 further standards and sent 6 standards for further study in a new case. The study of the remaining 44 standards and the preparation of the register of parties concerned with these standards will continue in 2014.

Also, with respect to the process of reliability standards compliance monitoring, the Régie concluded an agreement in principle with NERC and the Northeast Power Coordinating Council (NPCC) that will be submitted to the government in Spring 2014 for authorization. When this agreement is concluded the Coordinator will be required to submit a sanctions guide (to structure cases of infractions to the standards that would come to public hearings) to the Régie for approval.

Finally, over the course of next year, the Régie will continue to develop its internal monitoring process of the application of the standards, which is expected to be in place in 2015.

\$662 million

INVESTMENTS AUTHORIZED BY THE RÉGIE  
FOR THE CONSTRUCTION AND IMPROVEMENT  
OF ELECTRICITY DISTRIBUTION INFRASTRUCTURE

\$2,316.9 million

INVESTMENTS AUTHORIZED BY THE RÉGIE  
FOR ELECTRICITY TRANSMISSION

4.27%

AVERAGE RATE INCREASE FOR ELECTRICITY  
CONSUMERS EFFECTIVE APRIL 1, 2014

3.45%

AVERAGE RATE INCREASE FOR RATE L,  
APPLICABLE ONLY TO LARGE INDUSTRIAL  
CUSTOMERS AS OF APRIL 1, 2014

\$11,303.3 million

2014 REVENUE REQUIREMENT FOR HYDRO-QUÉBEC  
DISTRIBUTION APPROVED BY THE RÉGIE

HYDRO-QUÉBEC TRANSÉNERGIE REVENUE  
REQUIREMENT APPROVED BY THE RÉGIE  
IN 2013:

\$2,934.1 million

IN 2014:

\$3,138.8 million

# Activities

# Petroleum

## PRICE PER LITER

FROM APRIL 1, 2013 TO MARCH 31, 2014  
FOR QUÉBEC AS A WHOLE

### Regular Gasoline

**134.9 ¢/liter**

WEIGHTED AVERAGE RETAIL PRICE  
(134.4 ¢/LITER IN 2012-2013)

MIN: 129.4 ¢/LITER WEEK OF OCTOBER 28, 2013  
MAX: 143.5 ¢/LITER WEEK OF SEPTEMBER 2, 2013

**81.3 ¢/litre**

AVERAGE MINIMUM PRICE  
AT MONTRÉAL LOADING RAMP

(81.7 ¢/LITER IN 2012-2013)

MIN: 74.4 ¢/LITER WEEK OF OCTOBER 21, 2013  
MAX: 89.2 ¢/LITER WEEK OF AUGUST 26, 2013

**127.8 ¢/litre**

WEIGHTED AVERAGE ESTIMATED MINIMUM PRICE  
(127.6 ¢/LITER IN 2012-2013)

MIN: 119.9 ¢/LITER WEEK OF OCTOBER 28, 2013  
MAX: 136.9 ¢/LITER WEEK OF SEPTEMBER 2, 2013

**6.2 ¢/litre**

DIFFERENCE EXCLUDING TAXES BETWEEN  
THE WEIGHTED RETAIL PRICE AND  
THE ESTIMATED AVERAGE MINIMUM PRICE  
(5.9 ¢/LITER IN 2012-2013)

### Light Fuel Oil

**107.6 ¢/litre**

WEIGHTED AVERAGE RETAIL PRICE  
(104.2 ¢/LITER IN 2012-2013)

MIN: 98.1 ¢/LITER WEEK OF APRIL 29, 2013  
MAX: 120.9 ¢/LITER WEEK OF FEBRUARY 10, 2014

### Diesel Fuel

**140.6 ¢/litre**

WEIGHTED AVERAGE RETAIL PRICE  
(137.3 ¢/LITER IN 2012-2013)

MIN: 131.8 ¢/LITER WEEK OF JUNE 24, 2013  
MAX: 154.9 ¢/LITER WEEK OF FEBRUARY 24, 2014

## The Régie monitors, inquires and informs

### The role of the Régie

Under Chapter V of the Act, the Régie is given responsibility for monitoring the price of petroleum products in the various regions of Québec. It also has powers of supervision, inspection and inquiry regarding the sale and distribution of petroleum products and the prices, taxes and duties charged and paid.

### How does it carry out this role?

Since its creation in 1997, the Régie has produced various types of publications, on a daily, weekly or monthly basis. All of its publications and reports on the prices of petroleum products representing the 17 administrative regions of Québec are published on its website. They are intended to meet the requirements of the Minister of energy and natural resources and to better inform the public on the situation of the price of petroleum prices in Québec. The bulletin on petroleum product prices (**Bulletin d'information sur les prix des produits pétroliers**) is sent directly to the Minister weekly. Other publications are sent directly to the companies that contribute to the Régie's daily and weekly reports.

Thus, each week the Régie calculates the **estimated minimum price**, an indicator of the operating costs of a gasoline or diesel retailer, as required under Section 67 of the Petroleum Products Act and in conformance with a Ministerial Order of November 26, 1997. It also publishes a **daily indicator of the cost of acquisition** (IQCA), related to the estimated minimum price, as well as a **daily report on regular gasoline prices**, which provides average prices at the pump for about 70 municipalities or boroughs in Québec. It also provides consumers with a **weekly report on heating oil** during the heating season.

To further meet the need for consumer information, the Régie recently added a daily series of tables presenting the estimated **components of the price at the pump** for several municipalities in Québec. This new tool enables regular gas purchasers in nearly 70 Québec municipalities or boroughs to have daily access to detailed information on the components of the price charged at the pump. From day to day, this table allows consumers to follow the variations of the various elements that make up the price at the pump.

# n products

Regarding regulatory cases, every three years the Régie must determine the **amount of operating costs of a retailer of gasoline or diesel fuel** which can be included in the calculation of the estimated minimum price, if the situation necessitates this in a particular zone. By decision D-2013-087 of June 7, 2013, following a hearing held in March of the same year, the Régie re-evaluated the amount upwards and set the operating costs of a gasoline retailer at 3.5¢/liter, pursuant to Section 59 of An Act Respecting the Régie de l'énergie.

In Autumn 2013, the Régie began a complete review of its methodology for estimating one of the components of the estimated minimum price, which is the transportation of the fuel from the refinery to the gas station. This review was based on exchanges with petroleum product transporters in different regions of Québec. The new transportation costs will be incorporated into the petroleum price reports during this year.

## The Régie continually seeks to better inform the public

In November 2012, the Régie published the results of its first census, providing a portrait of the Québec retail market for gasoline and diesel fuel and tracing its evolution since 1997.

The Régie undertook an update of its second census of gas stations in 2014.

The Régie answered more than 150 requests for information this year in a rapid and efficient manner, always with the goal of informing consumers.

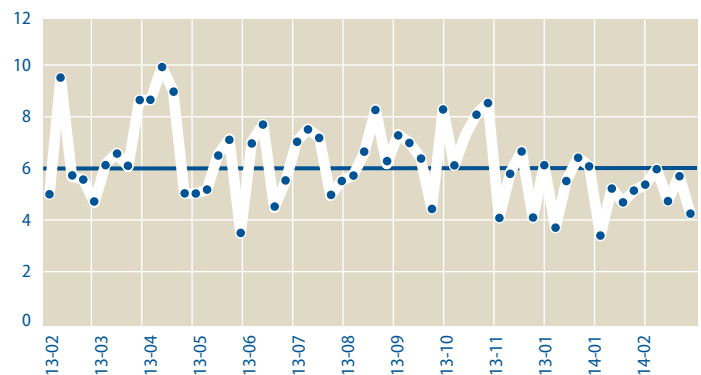
All of the publications, as well as statistics on the price of petroleum products since 1997, are available on the Régie's website at <http://www.regie-energie.qc.ca/energie/petroletarifs.php>

## Trends in the price of petroleum products

The price of regular gasoline remained relatively stable in 2013-2014 compared to the previous financial year. The weighted average price of regular gasoline was 134.9 ¢/liter, an increase of less than 1% compared to 2012-2013. The prices of diesel fuel and light fuel oil were slightly up during 2013-2014 (+2.4% and +3.3% respectively).

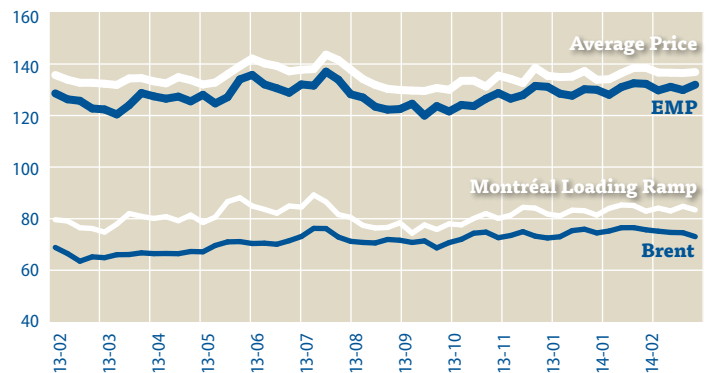
### Spread between the average price at the pump and the weighted average estimated minimum price ::

Regular gasoline  
Québec as a whole  
¢/litre



### Price movements ::

Québec as a whole  
¢/litre



# Administration

Along with its regulatory activities, in 2013-2014 the Régie pursued the following administrative tasks:

## Governance ::

Modification of its processes and **adoption of new policies**, notably regarding operating costs, travel, business meetings and approval of expenses. Also administrative reorganization and improvement of practices to attain higher standards of management.



Creation of a **committee on skills development** in order to ensure the monitoring, analysis and sharing of information on regulatory practices and energy markets.

Adaptation of services following legislative changes to the **Green Fund royalties** and notably for the major emitters targeted by the new system of caps and trades of greenhouse gas (GHG) emissions permits.

Preparation and Gazette publication of the draft **Regulation modifying the Regulation** respecting the annual duty payable to the Régie de l'énergie.

Application of the Sustainable Development Act through the execution of the **2009-2015 Sustainable Development Plan** for non-jurisdictional activities, with the addition of a new "Culture" orientation.

Application of the **Environmentally responsible purchasing Plan**, accomplishment of waste management actions and continuous improvement projects for premises and equipment.

## Information technology and information security ::

Implementation in April 2013 of an improved version of the **Electronic deposit system**, (SDÉ v1.1) with further improvements in December 2013.

Application of the **Act Respecting the Governance and Management of the Information Resources of Public Bodies and Government Enterprises** and the new directive on the Security of government information.



Improvement of computer performance and information security, notably through the **installation of Windows 8.1**.

Analysis of needs and preparation of a public call for tenders to develop the IT application required **to monitor the price of petroleum products**, and participation in needs analysis of the system required for **monitoring compliance in the application of electricity transmission reliability standards in Québec** in order to prepare a public call for tenders.



# Financial Summary ::

## Code of Ethics ::

**1. GENERAL PRINCIPLES** Commissioners shall at all times conduct themselves with loyalty and dignity, demonstrate reserve, and abstain from any statement or action that is incompatible with their duties. In the performance of their mandate, Commissioners shall promote the satisfaction of Québec's energy needs in accordance with the principles of sustainable development and with attention to economic, social and environmental concerns. They shall also reconcile the public interest, consumer protection and equitable treatment of distributors.

**2. IMPARTIALITY** Commissioners shall demonstrate impartiality at all times. They shall act and be seen to act objectively and without prejudice. They shall abstain from expressing in public any opinions that might cast doubt on their objectivity or impartiality, or that of the Régie.

**3. INDEPENDENCE** Commissioners shall at all times defend the independence of their office. They shall perform their duties free of all interference. They shall avoid placing themselves in a vulnerable position.

**4. POLITICAL NEUTRALITY** Commissioners shall set aside their personal political opinions so as to perform their duties with the required objectivity. Commissioners shall exercise reserve in the public expression of their political opinions and shall not belong to any advocacy group that takes positions on energy-related matters.

**5. CONFLICTS OF INTEREST** Commissioners shall avoid placing themselves in a position of conflict of interest. They shall arrange their personal affairs so as not to interfere with the performance of their duties. They shall not use the power of their position to obtain or grant any benefit or favour. Commissioners shall have no interest, direct or indirect, in any company that produces, transports, distributes or supplies energy, or in any organization, association or undertaking an interest in which would create a conflict between their personal interests and the duties of their position.

**6. DECLARATION OF INTERESTS** Each Commissioner shall submit an annual written declaration to the Chair of the Régie stating all the interests he or she possesses which he or she believes could create a conflict of interest.

**7. RECUSAL** Commissioners shall recuse themselves from any deliberations in which their ability to deal impartially with the application under consideration could be in doubt. A Commissioner shall bring any situation which he or she deems to be problematic to the attention of the Chair of the Régie.

**8. CONFIDENTIALITY** Commissioners shall swear an oath of confidentiality upon entering upon their duties. Commissioners shall abstain from making any comment or taking any public position on any file, whether or not they are personally responsible for that file, and shall express their points of view only through the decisions rendered by the Régie. Commissioners shall at all times respect the confidentiality of the documents and information to which they are made privy in the course of their duties and may not use them for personal ends.

**9. DUTY TO ACT WITH EQUITY** At hearings and in examining applications, Commissioners shall ensure that all participants have the opportunity to be heard and to make their arguments, insofar as those arguments are allowable and relevant. At hearings, Commissioners shall maintain order, taking a firm but courteous attitude which fosters mutual respect among all present.

**10. COLLEGIALLY** Each Commissioner shall provide his or her colleagues with appropriate support, while respecting the authority of each. Commissioners shall strive to ensure that the decisions rendered by the Régie are consistent, so that all interveners who appear before the Régie receive equitable treatment.

**11. EXCELLENCE** Commissioners shall keep their professional skills and knowledge current so as to maintain the quality of their work.

**12. DILIGENCE** Commissioners shall render written, reasoned decisions, effectively and diligently, in plain language.

**13. OATH** Upon entering upon their duties, Commissioners shall take the following oath: "I, . . . , Commissioner, do solemnly declare that I will exercise the powers and perform the duties of my position impartially and honestly, to the best of my ability and knowledge."

For the activities related to the mission of the Régie de l'énergie, estimated revenues for the financial year ending March 31, 2014 continued to be composed mainly of duties. These are paid by the electric power carrier, electricity distributors including Hydro-Québec Distribution, distributors of natural gas and petroleum products (beyond 100 million liters) and fuel distributors. These duties are collected in conformance with the Regulation respecting the annual duty payable to the Régie de l'énergie (Section 112 of the Act, O.C. 1379-2009, modified 21 December 2009).

The Régie's budget for 2013-2014 was approved by O.C. 960-2013, on September 18, 2013, following submission on January 31, 2013, in conformance with Section 106 of the Act and O.C. 832-2004.

As per the regulatory provisions, the cumulative surplus verified at the beginning of the April 1, 2013 year, by form of energy, was taken into consideration in the calculation of the rates and amounts of duty payable by the distributors and the electric power carrier for 2013- 2014. Based on the estimated results for the financial year ended March 31, 2014, as planned, a revenue deficit reduced the accumulated surplus at the beginning of the fiscal year.

The Régie continues to maintain budget compressions following measures to reduce administrative expenses, surpassing the cumulative targets since 2010, following the legislative and regulatory dispositions and related decrees.

The summary information is presented in the table opposite:

## Estimated financial results for the Régie

FOR THE YEAR ENDED  
MARCH 31, 2014

\$13,253,024

REVENUES

\$13,518,318

EXPENSES

(\$265,294)

DEFICIT

# Current/Upcoming Cases

## Electricity ::

### Transmission and Distribution

Following decisions rendered in 2013-2014 regarding the rate of return and the sharing mechanism applicable to Hydro-Québec TransÉnergie and Distribution, the Régie will open a case on the Hydro-Québec incentive mechanism to be applied to them.

### Distribution

#### Rates and conditions of service:

- 2014 rate case (including the energy efficiency plan and batch approval of investment projects of less than \$10 million)
- Modification of interruptible rate
- Economic development rate
- Modifications of fees for the option to refuse remotely read electricity meters

#### Investments

- Phases 2 and 3 of remote reading (LAD) project
- Setting the conditions for installation of the Hydro-Québec electricity distribution network in Rouyn-Noranda
- Ménihek power station
- Lac-Rapide connection
- Parc des Hautes Gorges connection
- l'Île d'Orléans cables
- St-Georges substation
- Saint-Jérôme substation
- Adamsville-Bromont substation
- Baie-Saint-Paul substation
- 25 kV conversion of Atwater substation
- 25 kV conversion of Saint-Jean substation

#### Supply

- 2014-2023 supply plan
- Approval of the characteristics of balancing services to facilitate the integration of wind power
- Monitoring of the call for tenders for balancing services to facilitate the integration of wind power
- Approval of contracts resulting from the call for tenders for balancing services to facilitate the integration of wind power
- Approval of the selection grid for offers for the block of 450 MW of wind power
- Monitoring of the call for tenders for block of 450 MW of wind power
- Approval of contracts resulting from the call for tenders for block of 450 MW of wind power
- Approval of a new agreement for the Bécancour power station

#### Administrative cases

- Evaluation of energy efficiency programs
- 2013 Annual Report

### Transmission

#### Rates and conditions of service

- 2015 rate request
- Policy on additions to the transmission network
- Transmission service contracts with Rio Tinto Alcan

#### Investments

- Madawaska substation
- Normand substation
- Nicolet substation
- Fleury substation
- Abitibi substation
- Albanel substation
- De Lorimier substation
- Le Gardeur - St-Sulpice line
- Duvernay substation
- Baie-St-Paul substation
- Substation at Rapides Farmer power station
- Substation at Chelsea power station
- Chamouchouanne - Bout de l'Île 735 kV line
- Balancing services to facilitate the integration of wind power A/O 2009-02 (reasons)
- 2015-2018 telecommunications investments
- 2015 budget for investments under \$25 million
- Saint-Jérôme substation
- Adamsville substation
- Manicouagan substation
- St-Louis substation
- St-Patrick substation
- Integration of Rivière-Nouvelle wind farm
- Saraguay substation
- Langelier substation
- Radisson substation

#### Network reliability and technical requirements for connection

- Approval of 95 modified reliability standards, and a register of parties concerned and a sanctions guide
- Development of internal monitoring processes for the application of standards to be implemented in 2015
- Approval of requirements for the connection of installations to the transmission network

#### Administrative cases

- 2013 Annual Report
- Finalization of the agreement between the Régie, NERC and NPCC regarding the monitoring of reliability standards
- Development of monitoring activities for reliability standards
- Implementation of a mandatory reliability regime

## Natural Gas ::

#### Rates

- Gaz Métro: conclusion of 2013-2014 and 2014-2015 rate cases
- Gazifère: 2015 rate case
- Gaz Métro: September 30, 2013 and September 30, 2014 annual reports
- Review of Gaz Métro's rate structure

#### Investments

- Gaz Métro: followup of St-Hyacinthe biomethane (decision D-2013-041) – request for establishment of a receiving rate
- Gaz Métro: investment in relocation of pipe near the extension of Highway 70 at Saguenay
- Gaz Métro: investment – Bécancour
- Gaz Métro: investment – rebuilding of the information system of gas supplies
- Gaz Métro: investment – reinforcement of the Saguenay and Estrie networks
- Gaz Métro: supply indicator following decision D-2013-091
- Gaz Métro: investment – pipe storage site
- Gaz Métro: investment in regulator station – Abandonment and reconstruction of Marien-Rivet station (Montréal)
- Gazifère: setting of conditions for installing pipes in Gatineau

#### Administrative cases

- Follow-up on the evaluation of the programs of Gaz Métro's energy efficiency plan

## Petroleum Products ::

- In conformance with section 169 of the Act Respecting the Régie de l'énergie, report to the minister on the impacts of the decision rendered in 2013 to fix the amount of 3.5 ¢/liter as the operating costs of gasoline or diesel fuel retailer on the price as well as the commercial practices of the retail sale of gasoline or diesel fuel.
- Update of the census of gas stations in operation in Québec.



## 2009-2015 Sustainable Development Plan

**Government Objective 1 ::** Raise awareness of the concept and principles of sustainable development. Foster sharing of experience and skills related to sustainable development and assimilation of the knowledge and know-how to implement it.

**Organizational Objective 1 ::** Raise awareness of the nature and scope of the concept of sustainable development and its 16 principles. **Action 1 ::** Carry out activities that promote achievement of the government's awareness-raising and training plan for public servants.

**Organizational Objective 2 ::** For authorizations, use analytic tools that take principles of sustainable development into account. **Action 2 ::** To assess administrative projects, adopt and test an analytic grid that takes principles of sustainable development into account.

**Government Objective 4 ::** Develop and promote a culture of prevention and create conditions conducive to health, safety and environmental responsibility.

**Organizational Objective 3 ::** Maintain and improve employees' physical and psychological health.

**Action 3 ::** Provide employees with a work environment that promotes health, safety and quality of life. **Action 4 ::** Promote and implement practices and activities that support human-powered transport.

**Government Objective 6 ::** Implement environmental management measures and an environmentally responsible procurement policy at government ministries and agencies.

**Organizational Objective 4 ::** Promote the adoption of environmentally responsible practices in the Régie's daily management and administration activities. **Action 5 ::** Implement practices and activities called for by the policy on environmentally responsible government.

**Government Objective 7 ::** Promote reduced use of energy, natural resources and physical resources in the production and marketing of goods and services.

**Organizational Objective 5 ::** Facilitate employee involvement in implementing and promoting energy efficiency.

**Action 6 ::** Promote energy efficiency to employees.

**Government objective** regarding cultural action in a context of sustainability.

**Organizational Objective 6 ::** Contribute to French, the official language, remaining the common language of the public life of all Quebecers, whatever their origins, while respecting the English language community and the cultural communities as well as the aboriginal nations. **Action 7 ::** Apply the dispositions of the Charter of the French Language and promote the quality of French notably in written communications.

To view the 2009-2015 action plan and sustainable development results in 2013-2014, visit the Régie de l'énergie website at the following address: [www.regie-energie.qc.ca](http://www.regie-energie.qc.ca)

# Accountability ::

## Access to documents and protection of personal information

The Régie, as a public organization subject to the Act Respecting Access to Documents Held by Public Bodies and the Protection of Personal Information, must include in its annual report a section attesting to the publication of documents covered by this law and reporting on certain activities. In conformance with the Act, the Régie publishes various information on its website, including: its organization chart; the name and contact information of the official responsible for access to documents and the protection of personal information; research or statistical studies and reports that it has produced and whose publication is in the public interest; documents sent in response to an access to information request whose distribution is in the public interest; a description of the services offered as well as the related forms; the laws, regulations, codes of ethics, directives, policies, and other documents of a similar nature that serve in decision-making concerning the rights of citizens that it is responsible for applying; decisions rendered in complaint cases that it handles which are reported by SOQUIJ; draft regulations published in the official gazette of Québec for which it is responsible; and documents that it produces deposited for the purposes of a public hearing of the National Assembly or one of its committees or sub-committees.

The Régie received four (4) requests for access during 2013-2014, which were processed within the 20-day delay prescribed by the law. Two of these four requests were accepted without reserve and dealt with documents relating to the treatment of a specific complaint case by the Régie regarding a report issued by the Régie in the process of its monitoring of the Hydro-Québec Distribution call for tenders A/O 2009-02 for wind power from aboriginal and community projects. Another of these four requests was partially met, to the extent that some of the documents communicated contained personal information which had to be redacted under sections 53 and 57 of the Act. As for the fourth request, it was refused because it dealt with subjects that did not fall within the fields of responsibility of the Régie, which had none of the documents or information requested (relay antennas located on certain buildings in Montréal, regulation and methods of control of electromagnetic pollution and financial advantages related to the placement of antennas).

## Rates and public services

### For goods and services currently charged

In applying the policy on financing of public services, the Régie must include in its annual report a report on the charges for goods and services that it provides to the public and to companies.

The rates charged by the Régie de l'énergie are established by the regulation on fees payable to the Régie de l'énergie (RLRQ, c. R-6.01, r.3)

These rates are fees payable for the study of a request submitted to the Régie which deals with:

- The presentation of a consumer complaint regarding a decision by the electric power carrier or a distributor, according to Section 94 of the Act Respecting the Régie de l'énergie. These fees are \$30 and are reimbursable to the plaintiff if the Régie deems the complaint to be valid;
- The presentation of any request by a person other than the electric power carrier or a distributor subject to the payment of annual duties to the Régie de l'énergie. These fees are \$500.

In 2013-2014, the Régie received \$4,170 from electricity or natural consumers for complaints submitted and \$3,000 for other requests submitted, for a total of \$7,170, divided as follows:

### Consumer complaints

- 146 complaints against electricity distributors, of which 11 were upheld at least partially and for which fees of \$30 were reimbursed, for a total of \$4,050 collected;
- 4 complaints against natural gas distributors, for a total of \$120 collected;

### Regulatory requests by a person other than the electric power carrier or a distributor subject to the payment of annual duties to the Régie de l'énergie

- 2 requests regarding electricity distribution, for a total of \$1,000 collected;
- 1 request regarding electricity transmission, for a total of \$500 collected;
- 1 request regarding electricity transmission and distribution, for a total of \$500 collected;
- 1 request regarding natural gas, for a total of \$500 collected;
- 1 request regarding petroleum products, for a total of \$500 collected.

The Régie offers a copying service for all interveners who request it. Rates are established on a cost recovery basis. Revenues collected by the Régie for this service were \$1,125 in 2013-2014.

clear decisions  
energy consumers  
efficiency activities  
**examine Act**  
public interest plan  
electricity sustainable development  
authorize cost economic  
regulation  
geothermal conciliate  
public distributors service  
participation fix  
equity wind power diesel  
petroleum complaints  
products prices  
**regulate**  
**hearings**  
**decide**  
timely decisions  
consultation  
natural gas  
energy

**The Régie's actions. [www.regie-energie.qc.ca](http://www.regie-energie.qc.ca)**