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Possible Legal Concerns

"Negligence" is a legal term of significant importance in determining the liability of a person or any other legal entity.

IN ITS COVERAGE OF LEGAL MATTERS, the media generally focuses its attention on "juicy" criminal cases and rarely pays attention to lawsuits in other fields, such as the electric power industry. One of the rare occasions when this does happen, is when a blackout, or other major disturbance, hits a large metropolitan or geographical area. Power interruption to many utility customers may result in significant losses. In order to compensate their losses customers may file individual lawsuits, or when the number of affected customers is rather substantial – a class action lawsuit.

This is not just speculation – there are recent examples that demonstrate the exposure of the utility industry to such legal actions. For example, shortly after the August 14, 2003 blackout, Cauley, Geller, Bowman and Rudman, a New York based law firm, filed a class-action lawsuit on behalf of the 50 million people who lost power during the blackout. One of the questions that protection, automation and control professionals should ask, is what can be done to reduce the exposure of a utility to such lawsuits, especially in cases of different types of power interruption that are caused by the operation of different protection, automation



and control systems. In order to understand the legal exposure of electric power suppliers, we need to define further some legal terms related to negligence. There are different levels of negligence, and liability is dependent on the findings of what degree of negligence can be asserted in a lawsuit.

Black's Law Dictionary is widely held as the authority for definitions of legal terms in the legal community. Regarding negligence, Black's Dictionary (7th Edition) states, in part: **Negligence** is "The failure to exercise the standard of care that a reasonably prudent person would have exercised in a similar situation; any conduct that falls below the legal standard established to protect others against unreasonable risk of harm, except for conduct that is intentionally, wantonly, or willfully disregardful of others' rights."

Gross negligence is defined as "A conscious, voluntary act or omission in reckless disregard of legal duty and of the consequences to another party, who may typically recover exemplary damages."

Criminal negligence is "Gross negligence so extreme that it is punishable as a crime."

It is obvious from the above definitions that the determining factor in any specific case will be to establish what the "standard care" is and what a "reasonably prudent person" would do.

One of the challenges in resolving these issues is the fact that the technology is changing very fast, with computer and communications based systems enabling new ways for limiting the impact of abnormal system conditions on sensitive customers. So something that might have been a reasonable solution in the world of electro-mechanical and solid state devices, may be considered inappropriate in the world of the new technology. The protection, automation and control industry needs to carefully consider and establish references that will help professionals in the field understand what a "reasonably prudent person" would do in a specific application in order "to protect others against unreasonable risk of harm" ■

Biography

Iana graduated from UCLA in 2001 with a major in Political Science. In 2005 she was awarded the degree of Juris Doctor, from Loyolla Law School. During her studies, Iana worked for Soft Power Int., where she became well acquainted with the engineering world. She furthered her business knowledge working for Insurance Marketing Inc. Upon graduating from Law School, Iana joined the Criminal Defence field, where she has devoted her talents to fight for her clients. Iana is currently working on her MBA from Ashford University.