



Stray Voltage Regulation Versus Litigation

**Presented by Paul Ortmann, P.E.
Electrical Engineer—Power Quality**

Outline



- **Tort Law**
- **Today's situation**
- **The Consumer/Provider relationship**
- **Regulation versus litigation summary**
- **The Consumer/Provider/Regulator relationship**
- **Idaho's Stray Current and Voltage Remediation Act**

Tort System



- **The purpose of tort law is to collect compensation for damages caused by willful or negligent wrongdoing**
- **Tort system works well when there are clear rights and duties, damages occur, and juries are asked to determine who is at fault**

Today's Situation



- **Juries are asked to determine the rights, duties, and facts in technically complex cases**
- **Juries may set new industry standards instead of regulators and lawmakers**
- **New standards are applied retroactively**

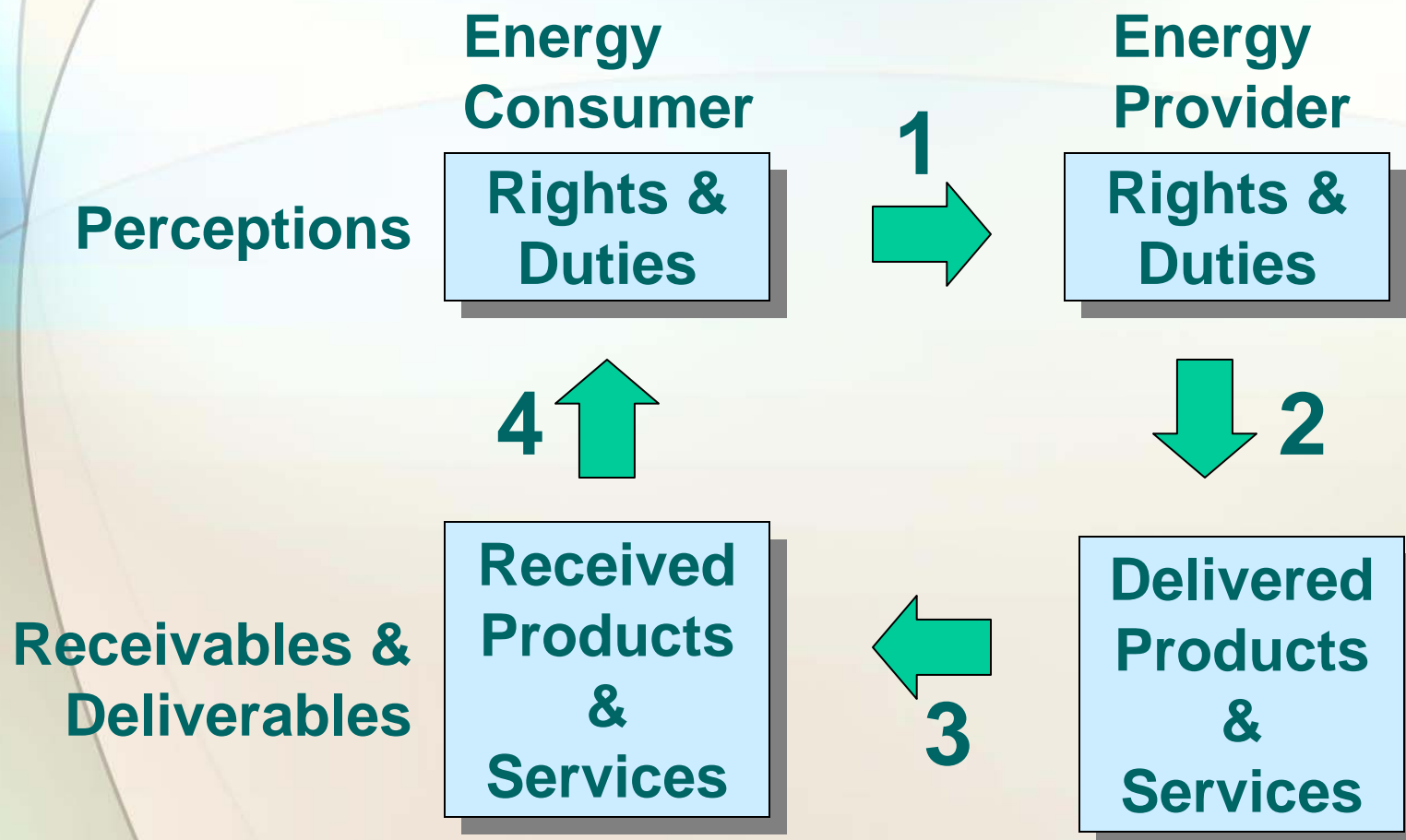
Today's Situation



An example...

- The occupants of a Chevy Malibu were awarded \$1.09B in a judgment against GM. They were severely injured when their car was rear-ended and caught fire. The car met all safety standards at the time it was manufactured.
- The car was rear-ended by a drunk driver going 70 mph.

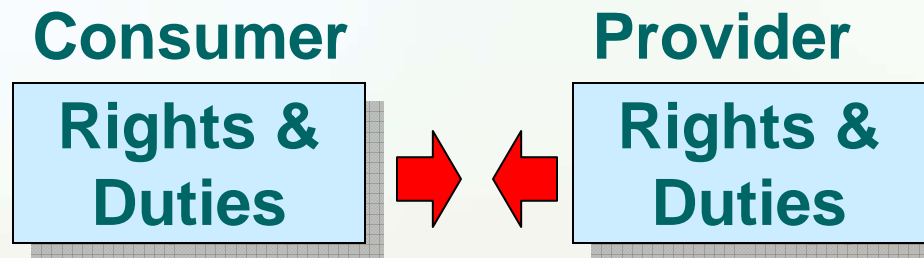
Consumer/Provider Relationship



The Consumer/Provider Relationship—Disconnects



1. Mismatch between consumer and provider rights and duties



Causes

- Change in consumers' or provider's rights
- Competing rights
- Communication issues

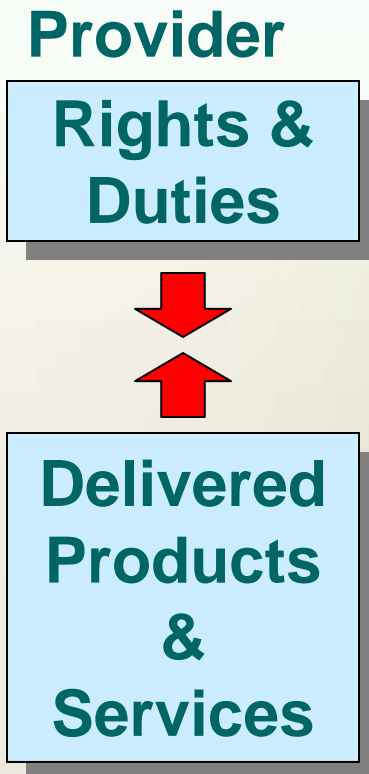
The Consumer/Provider Relationship—Disconnects



2. Provider rights and duties not accurately reflected in products and services

Causes

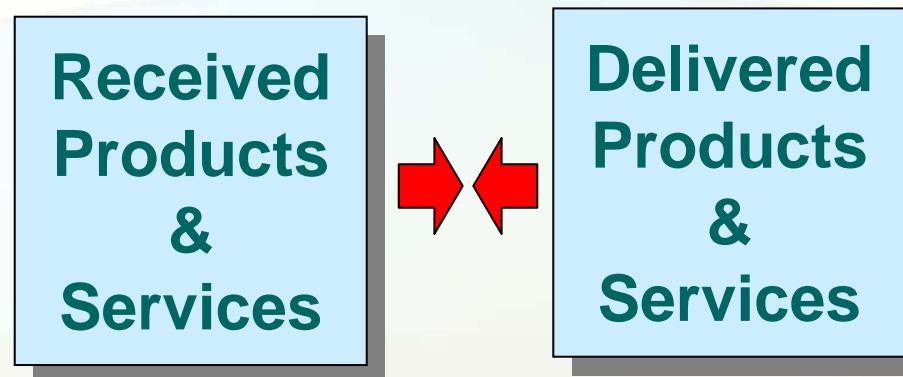
- **Competing duties - tradeoffs**
- **Regulatory constraints**
- **Communication issues**



The Consumer/Provider Relationship—Disconnects



3. Mismatch between delivered and received products and services



Causes

- Communication issues
- Influence of other consumers and providers
- Lack of consensus on measuring receivables and deliverables

The Consumer/Provider Relationship—Disconnects



4. Products and services received don't match with consumer rights and duties

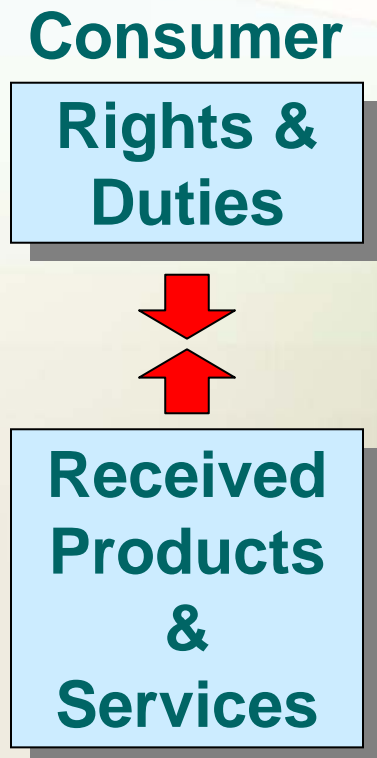
Causes

- Prior process problems

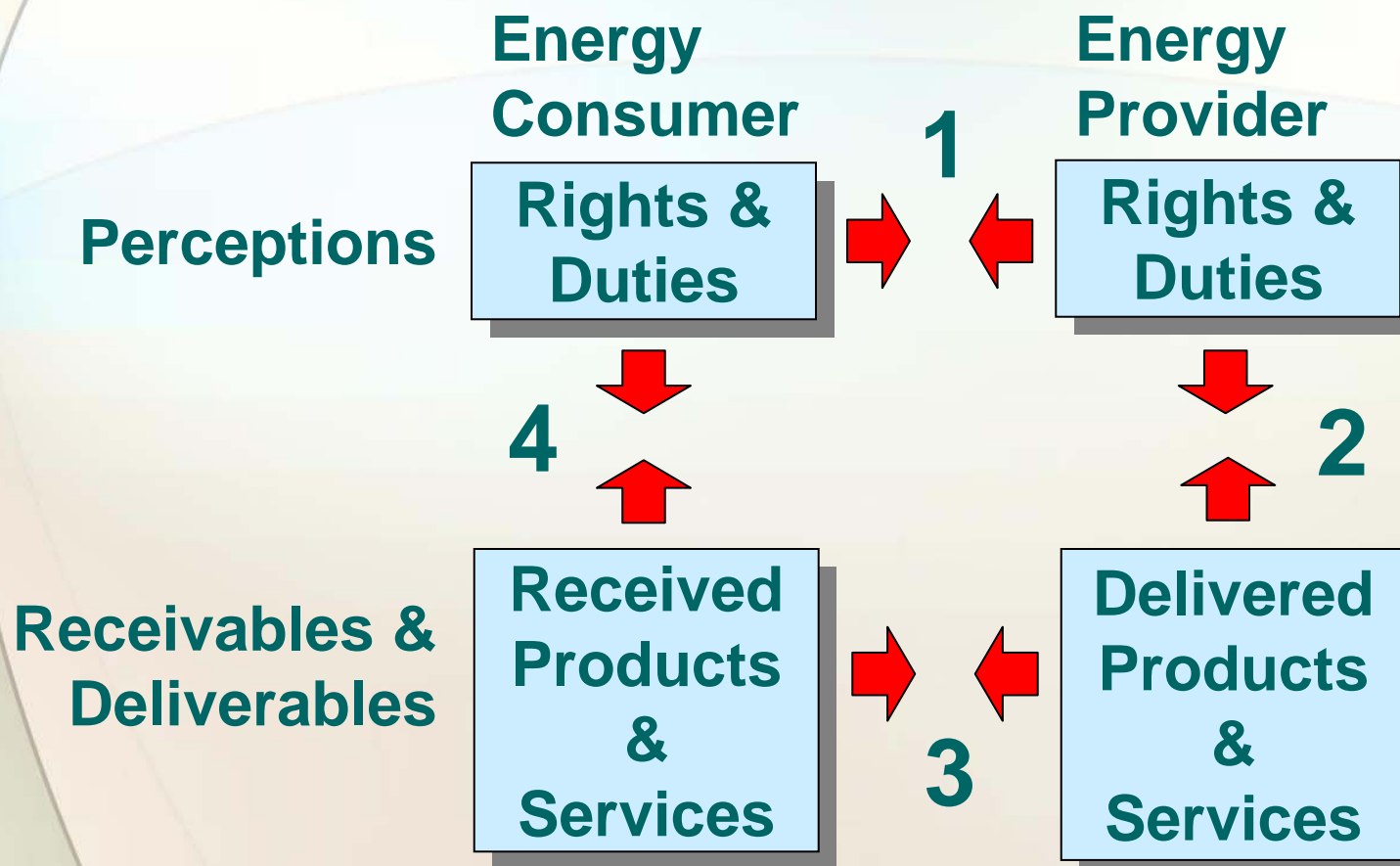
Result

- Dissatisfied consumers
- Possible litigation

This is the relationship traditionally used by consumers to measure provider performance



The Consumer/Provider Relationship—Reconnecting



The Consumer/Provider Relationship—Reconnecting



1. Mismatch between consumer and provider rights and duties

- **Litigation**
 - May emphasize disconnect
 - Can create rights and duties based on exceptions
 - May bypass regulators and the public in creating new industry standards
- **Regulation**
 - Applies equally to all
 - Emphasizes consensus
 - Can unify and document rights and duties



The Consumer/Provider Relationship—Reconnecting

2. Provider rights and duties not accurately reflected in products and services

- **Litigation**
 - May create product & service requirements that don't resolve the conflict
 - May transfer costs to third parties
- **Regulation**
 - Clarifies required products and services
 - Regulated rights and duties are more likely to lead to funding for products and services



The Consumer/Provider Relationship—Reconnecting

3. Mismatch between delivered and received products and services

- **Litigation**
 - **Generally transfers responsibility for this mismatch to provider**
- **Regulation**
 - **Clarifies required products and services**
 - **Can provide mechanism to resolve conflicts**

The Consumer/Provider Relationship—Reconnecting



4. Products and services received don't match with consumer rights and duties

- **Litigation**
 - Draws attention to the issue
 - Compensates consumer for damages
- **Regulation**
 - Consensus on rights and duties normally resolves disconnects before this point
 - Can provide independent review of delivered products and services

Regulation Versus Litigation Summary



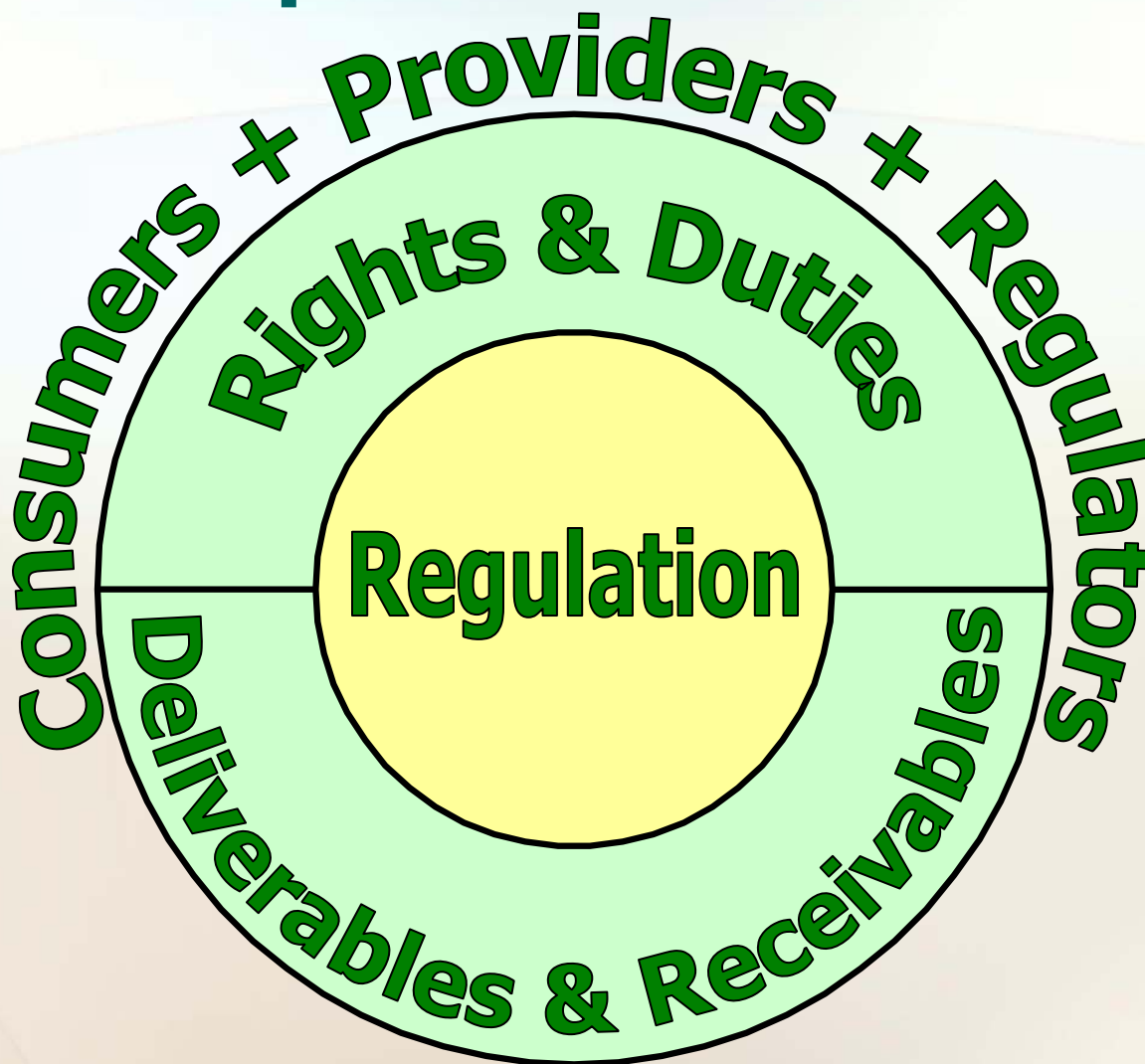
- **Litigation**
 - **Draws attention to consumer/provider relationship issues and compensates for damages**
 - **May create industry standards outside the regulatory process**
 - **May require products and services that don't resolve the conflict**

Regulation Versus Litigation Summary



- **Regulation**
 - **Unifies and documents rights and duties**
 - **Can provide mechanism to resolve conflicts**
 - **Can provide independent review of delivered products and services**

The Consumer/Provider/Regulator Relationship



Idaho's Stray Current and Voltage Remediation Act



- **House Bill No. 214**
 - **Defines common terms such as “stray current or voltage” and “cow contact points”**
 - **Establishes a uniform “preventative action level”**
 - **Requires the Idaho PUC to establish uniform procedures and protocols for measurements of stray current or voltage**

Idaho's Stray Current and Voltage Remediation Act



Continued...

- **Requires, when necessary, that the sources of stray current or voltage be identified**
- **Requires, when necessary, adequate remediation**
- **Establishes procedures for handling complaints**

Questions?



www3.state.id.us/oasis/H0214.html

Contact Information:

Paul Ortmann

portmann@idahopower.com

(208)736-3406