

ASKING THE LAW QUESTION?

OVER HEAD
POWER
LINES
22,000
VOLTS

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Asking the Law Question

To explore some of the common law principles inherent in the obligations owed by an electricity supplier to its customers and the implications for embedded generation set in the context of the issues raised in ESAA v ACCC (2001) FCA

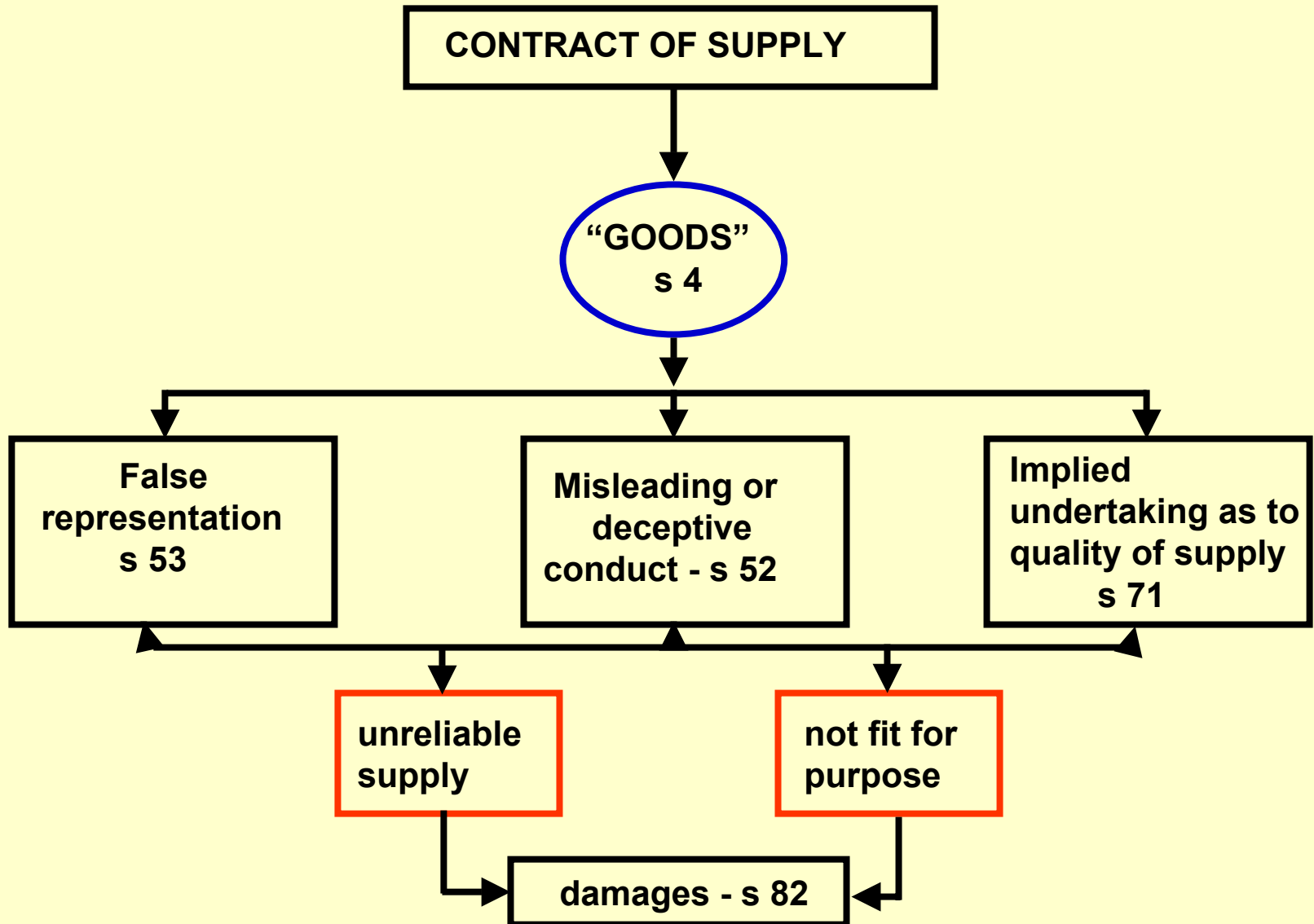
ESAA v ACCC(2001) FCA 1296 - 12 September 2001

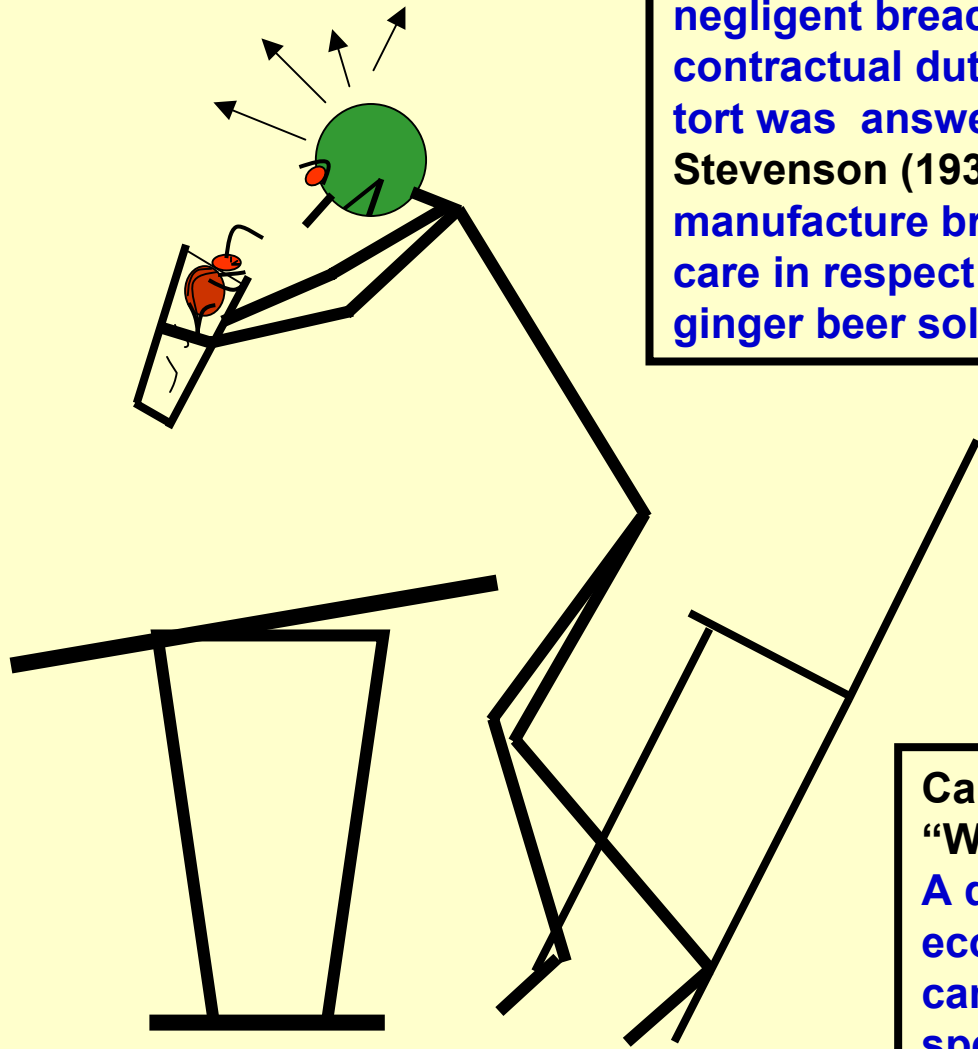
Mr. Archibald QC for the ACC as to:

whether liability exists in which damage is done without fault (intention) on the part of the power company given the contractual character of the supplier - customer relationship?

- 1. The most diligent distributor is unable to ensure that at all times electricity will be supplied in a condition fit for the purpose for which it is required by the consumer.**
- 2. This does not relieve the distributor of its contractual obligations to supply electricity of a quality which enables the electricity to be used for the purpose for which it is supplied.**

TP Act(1974)

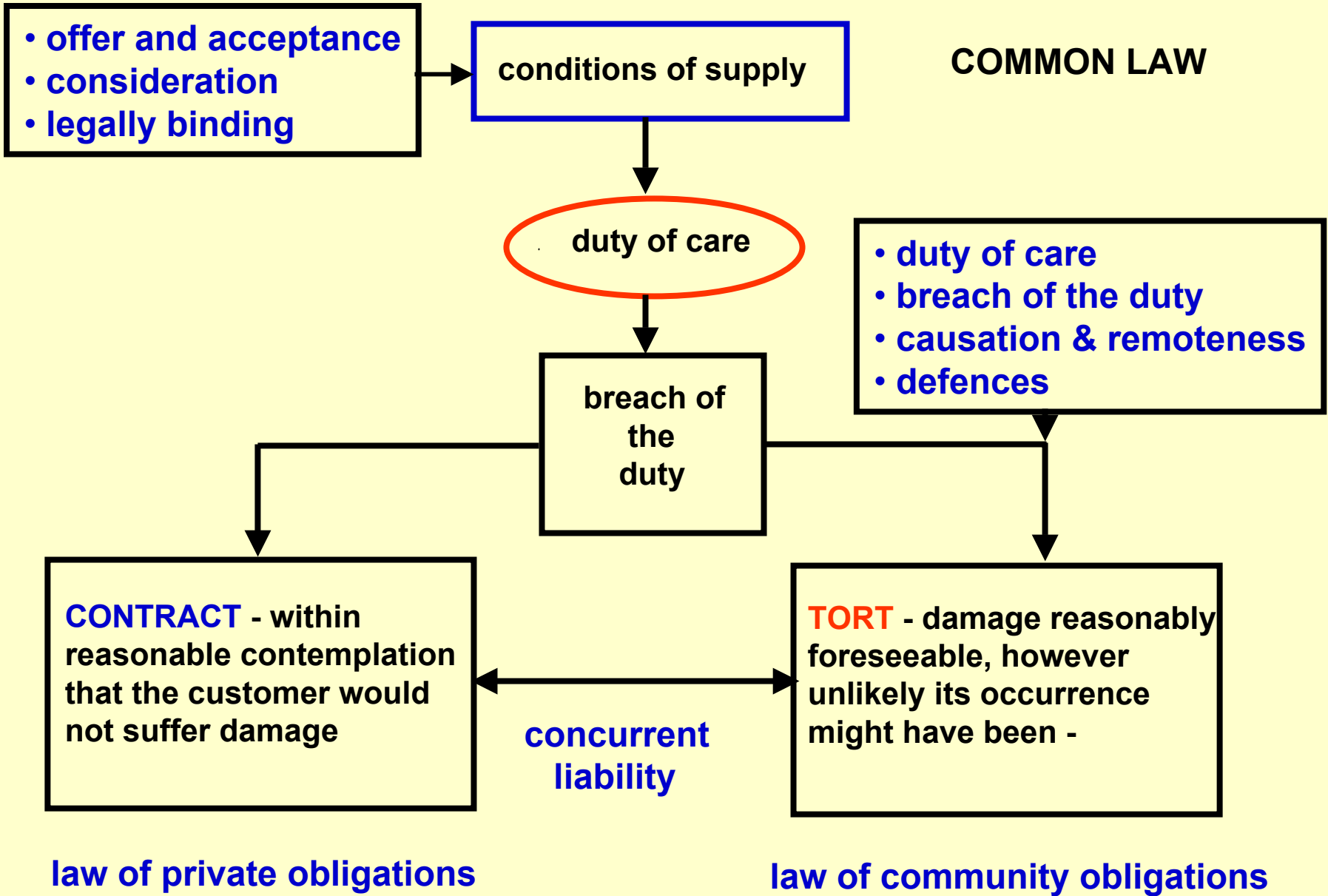




The question as to whether a negligent breach of a strict contractual duty is also actionable in tort was answered in *Donoghue v Stevenson* (1932) where the manufacture breached his duty of care in respect of the quality of the ginger beer sold to the first buyer.

Caltex Oil(Aust) v Dredge “Willemstad” (1976)
A defendant will be liable for economic damage when he/she can reasonably foresee that a specific party will suffer financial loss.

FIGURE 1



Commercial Market Model

FIGURE 2A

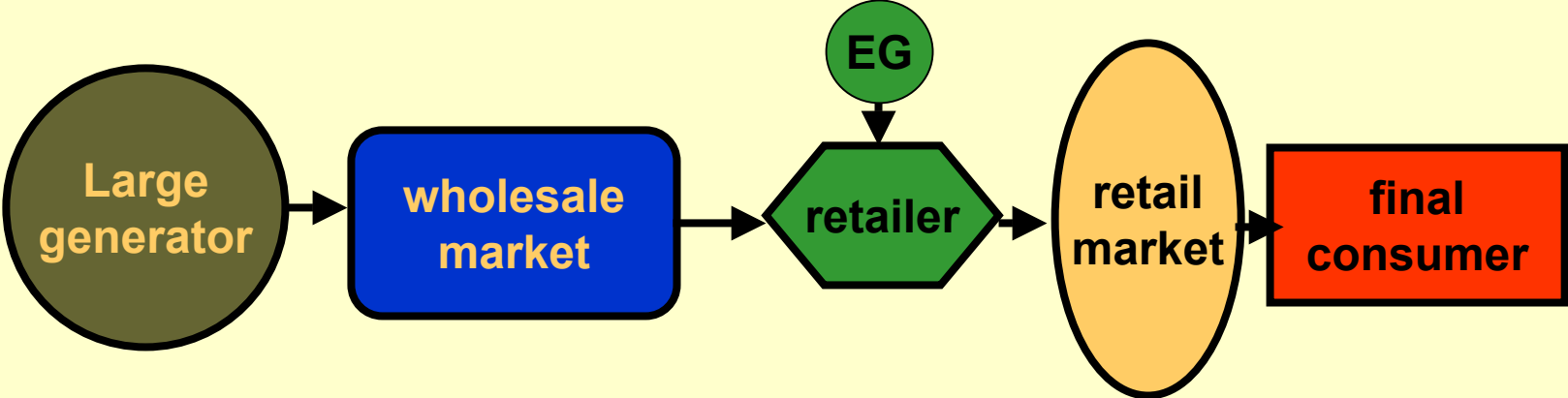
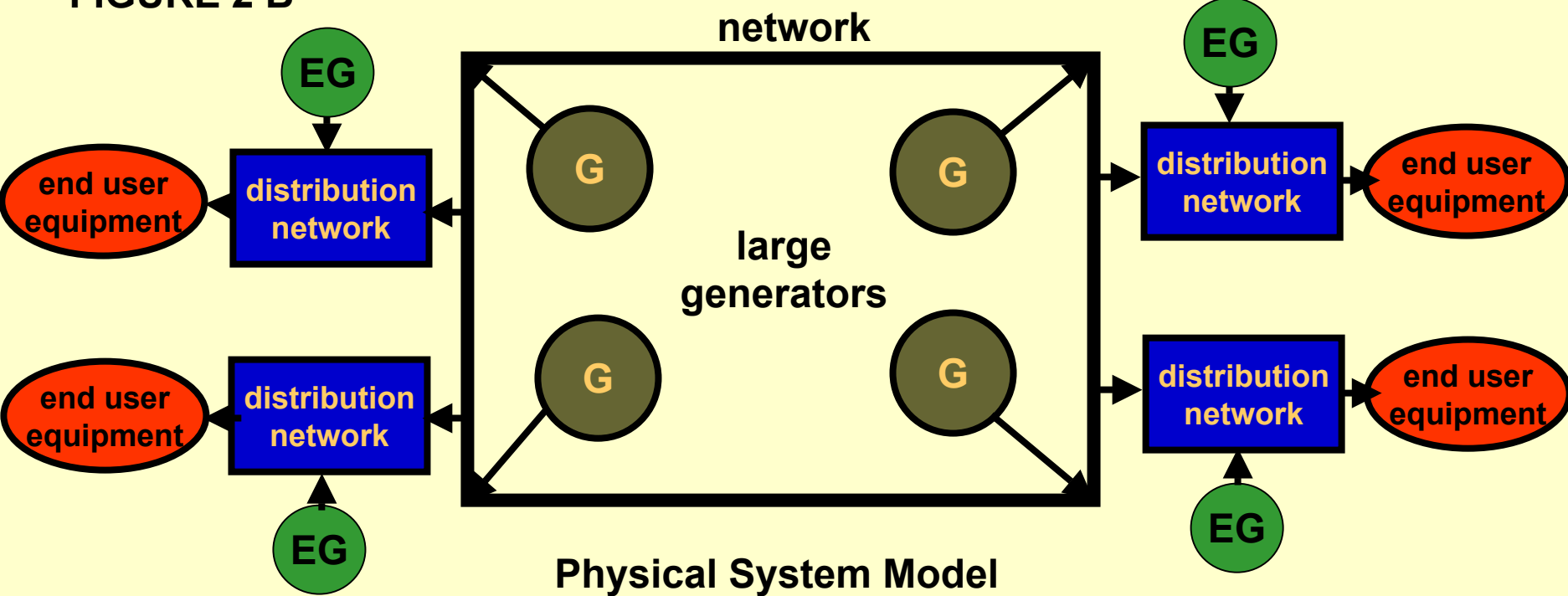


FIGURE 2 B

Transmission network



Physical System Model

Legal Model

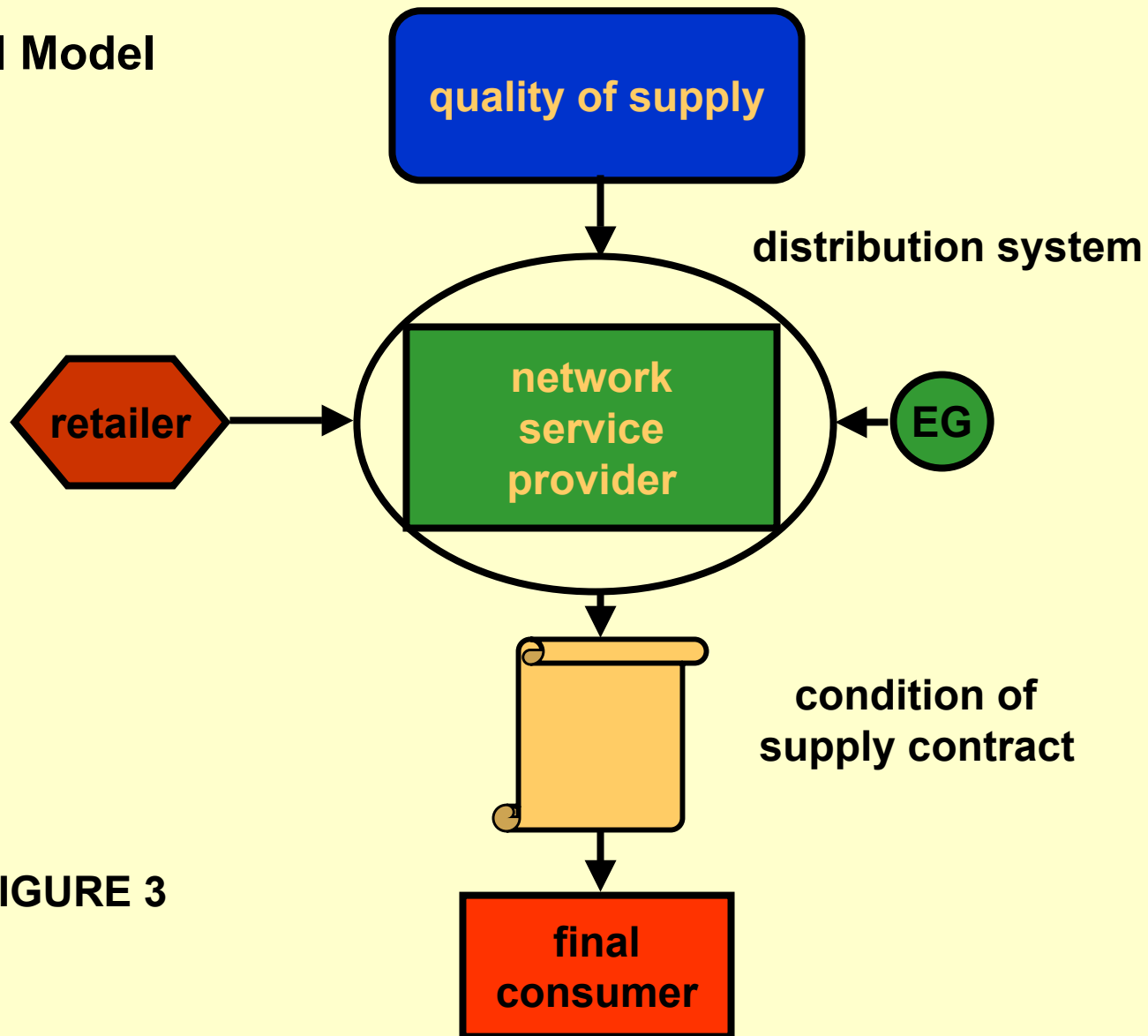


FIGURE 3