

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Amendment of Rule ) DOCKET NO. 920719-EI  
25-17.087, F.A.C., )  
Interconnection and ) ORDER NO. PSC-92-1411-NOR-EI  
Standards. )  
\_\_\_\_\_ ) ISSUED: 12/4/92

NOTICE OF RULEMAKING

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has initiated rulemaking to adopt amend Rule 25-17.087, F.A.C., relating to interconnection and standards.

The attached Notice of Rulemaking will appear in the December 11, 1992 edition of the Florida Administrative Weekly. If requested, a hearing will be held at the following time and place:

9:30 a.m., Thursday, January 8, 1993  
Room 122, Fletcher Building  
101 East Gaines Street

Written requests for hearing and written comments or suggestions on the rule must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399, no later than January 4, 1993.

By Direction of the Florida Public Service Commission, this 4th day of December, 1992.



STEVE TRIBBLE, Director  
Division of Records & Reporting

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DOCUMENT NUMBER-DATE

14155 DEC-4 1992

FILED RECORDS / REPORTING

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FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 920719-EI

RULE TITLE:

RULE NO.:

Interconnection and Standards

25-17.087

PURPOSE AND EFFECT: The purpose of the rule amendment is to standardize insurance requirements in negotiated and standard offer contracts for the sale of capacity and energy to Florida utilities. The effect is to set the amount of insurance for standard offer contracts at \$1 million, and to set a minimum insurance requirement of \$1 million for negotiated contracts.

SUMMARY: The proposed amendment sets the amount of insurance coverage required from a qualifying facility in a standard offer contract at \$1 million for each occurrence, sets a minimum insurance requirement of \$1 million for negotiated contracts, and specifies that the parties to a negotiated contract may negotiate the amount of insurance over \$1 million. The utility is required to advise the qualifying facility how much more insurance, if any, it deems prudent.

RULEMAKING AUTHORITY: 366.051, 350.127(2), F.S.

LAW IMPLEMENTED: 366.051, F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING  
WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., January 8, 1993

PLACE: Room 122, 101 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THIS RULE AND THE ECONOMIC  
IMPACT STATEMENT IS: Director of Appeals, Florida Public Service  
Commission, 101 East Gaines Street, Tallahassee, Florida 32399.

THE FULL TEXT OF THE RULE IS:

25-17.087 Interconnection and Standards.

(1) - (5) No change.

(6) No change.

(a) No change.

(b) Responsibility and Liability. The utility and the  
qualifying facility shall each be responsible for its own  
facilities. The utility and the qualifying facility shall each be  
responsible for ensuring adequate safeguards for other utility  
customers, utility and qualifying facility personnel and equipment,  
and for the protection of its own generating system. The utility  
and the qualifying facility shall each indemnify and save the other  
harmless from any and all claims, demands, costs, or expense for  
loss, damage, or injury to persons or property of the other caused  
by, arising out of, or resulting from:

1. Any act or omission by a party or that party's  
contractors, agents, servants and employees in connection with the

installation or operation of that party's generation system or the operation thereof in connection with the other party's system;

2. Any defect in, failure of, or fault related to a party's generation system;

3. The negligence of a party or negligence of that party's contractors, agents, servants or ~~and~~ employees; or

4. Any other event or act that is the result of, or proximately caused by, a party.

For the purposes of this paragraph ~~subsection~~, the term party shall mean either utility or qualifying facility, as the case may be.

(c) Insurance.

The qualifying facility shall deliver to the utility, at least fifteen days prior to the start of any interconnection work, a certificate of insurance certifying the qualifying facility's coverage under a liability insurance policy issued by a reputable insurance company authorized to do business in the State of Florida naming the qualifying facility as named insured, and the utility as an additional named insured, which policy shall contain a broad form contractual endorsement specifically covering the liabilities accepted under this agreement arising out of the interconnection to the qualifying facility, or caused by operation of any of the qualifying facility's equipment or by the qualifying facility's failure to maintain the qualifying facility's equipment in satisfactory and safe operating condition.

1. The policy providing such coverage for a standard offer contract shall provide public liability insurance, including property damage, in the an amount of ~~not less than~~ \$1,000,000 \$300,000 for each occurrence; ~~more insurance may be required as deemed necessary by the utility.~~

2. The policy providing such coverage for a negotiated contract shall provide public liability insurance, including property damage, in an amount not less than \$1,000,000 for each occurrence. The parties may negotiate the amount of insurance over \$1,000,000. The utility shall promptly advise the qualifying facility how much more insurance, if any, it believes to be prudent.

3. ~~In addition,~~ The above required policy shall be endorsed with a provision requiring whereby the insurance company to will notify the utility thirty days prior to the effective date of cancellation or material change in the policy.

4. The qualifying facility shall pay all premiums and other charges due on said policy and keep said policy in force during the entire period of interconnection with the utility.

(7) - (11) No change.

Specific Authority: 366.051, 350.127(2), F.S.

Law Implemented: 366.051, F.S.

History: New 9/4/83, formerly 25-17.87, Amended 10/25/90, \_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: Patricia Brady, Division

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of Electric and Gas.

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULE:  
Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: October 20, 1992

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (904) 488-8371 at least five calendar days prior to the hearing. If you are hearing or speech impaired, please contact the Florida Public Service Commission using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).