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January 6, 2022

VIA EMAIL: PSCED@ky.gov

Ms. Linda Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Re: Case No. 2021-00459

In the Matter of the Verified Application of Duke Energy Kentucky, Inc. for Proposed Accounting and Fuel Adjustment Clause Treatment and for Declaratory Ruling

Dear Ms. Bridwell:

Duke Energy Kentucky, Inc., (Duke Energy Kentucky) hereby provides notice to the Kentucky Public Service Commission (Commission) that East Bend Unit 2 first returned to service on December 25, 2021. As is typical with the start-up of a coal-fired unit, start-up takes several days before the unit is capable of a steady state operation, and typically ramps up and down to ensure the unit is capable of full output.

As the Commission is aware, East Bend Unit 2 underwent a major planned outage during the Fall of 2021. The original dates were for the outage to start on Saturday, September 11 and for a return to service on Sunday, November 21 for an outage length of 72 days or approximately a 10.3-week outage. The unit was removed from service as planned at 22:03 EPT on September 10 but did not initially return on-line until 21:41 EPT on December 25, a little over a 1 month longer than initially planned due to a number of factors that will be explained.

The maintenance outage scope of work included general outage equipment repairs, Boiler Feed Pump Turbine Valve replacement, relay replacement, and a dust migration project. In addition, the planned outage critical path work (the scope of work that determined the overall outage length) included the rewind of the unit's Generator and replacement of the Low Pressure Turbine L minus 2 (L-2) blades, which represent the last (and largest) blades of each of the two double flow Low Pressure turbines. This critical path work was awarded to the Original Equipment Manufacturer (OEM) vendor as part of a turn-key contract with Duke Energy Kentucky.

Unfortunately, due to external vendor workforce constraints and availability limitations caused directly by COVID, the initial outage length needed to be extended. On October 25, Duke Energy Kentucky notified PJM of the extension that modified the end date outage to December 11, 2021. The primary drivers for the outage delays were mainly related to COVID outbreaks that

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impacted the labor resources and the quality of the vendor work performed. Throughout the outage, impacts related to the COVID pandemic have impacted vendor staffing to the point where the critical path of the outage needed to be extended and thus, the return date of the outage moved out. For example, the critical path of generator winding was adversely impacted due to a shortage of necessary craft skillset due to COVID infections. This caused delays to completing this critical work by at least two days (4 shifts). Likewise, on December 4, a vendor lost 13 millwrights due to COVID impacts on a night shift. This delayed critical path work activities until adequate resources were reestablished. Additionally, examples of vendor quality issues include a delay of the oil flush for the main Turbine/Generator caused by oil piping flange gasket leaks, requiring replacement and rework of the #10 Generator bearing seal after a failed quality check found improper clearances.

Duke Energy Kentucky has taken the following actions to support improvement of vendor performance, include a daily leadership conversation between Duke Energy Kentucky and the OEM to support quick resolution of performance issues. Additionally, a nightly call at 2100 was established to assess night shift vendor performance and to support additional quick resolution. Finally, Duke Energy Kentucky assigned additional technical and oversight resources to support improvement of vendor performance. Additional notifications to PJM were made that extended the outage to the actual date the unit first came back on-line (December 25). These outage requests were approved by PJM as maintenance outages.

After the unit initially returned to service on December 25, the unit went back off-line mainly due to the addition of balance shots in the Turbine/Generator to improve vibration, as is common after the scope of work that was undertaken during this outage. As of the writing of this document, the unit is currently on-line and capable of full output.

If you have any additional questions, please do not hesitate to contact me.

Respectfully submitted,

/s/Rocco D'Ascenzo

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