

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	
CLAUSE OF KENTUCKY UTILITIES)	CASE NO. 2022-00038
COMPANY FROM MAY 1, 2021 THROUGH)	
OCTOBER 31, 2021)	


RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
THE COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
DATED JUNE 7, 2022

FILED: JUNE 17, 2022

VERIFICATION


COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Michael P. Drake**, being duly sworn, deposes and says that he is Director – Generation Services for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.



Michael P. Drake

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 14th day of June 2022.



Notary Public
Notary Public ID. No. 603967

My Commission Expires:
July 11, 2022

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Third Request for Information
Dated June 7, 2022**

Case No. 2022-00038

Question No. 1

Responding Witness: Michael P. Drake

Q-1. Consider the hypothetical situation where a generation unit has been scheduled for a month long maintenance outage and during the course of the outage the utility cannot complete the maintenance work due to COVID-induced labor shortages and supply chain issues. Explain why the Commission should not consider the unit outage to be a forced outage, as defined in 807 KAR 5:056, Section 1(4), as opposed to a continued maintenance outage for the time extending beyond the scheduled outage time.

A-1. The Company is required to provide information for all outage events to NERC via the GADS reporting tool. Per the NERC GADS Data Reporting Instructions, section 3 pages 6-7, scheduled outages (Planned Outages and Maintenance Outages) have work that is "determined in advance and is referred to as the 'original scope of work'". The extension of a scheduled outage (Planned Outages and Maintenance Outages) is used "in instances where the original scope of work requires more time to complete than originally scheduled". In this circumstance, an extension is not classed as a forced outage. Considering the Commission's hypothetical question, COVID-induced labor shortages and supply chain issues may delay but would not alter the original scope of work and therefore would be classed as an extension.

Further, the GADS Reporting Instruction, in Section 3 and Appendix K, allow for scheduled outages (Planned Outages and Maintenance Outages) and extensions to be classified as Outside Management Control when they are "not considered to be under the control of plant management". The extension of an outage due to COVID-induced labor shortages and/or supply chain issues would be considered Outside Management Control.

Pursuant to 807 KAR 5:056 Section 1 part (4), forced outages are defined as "...all nonscheduled losses of generation or transmission that require substitute power for a continuous period in excess of six (6) hours." In the hypothetical situation presented in the question, the outage would be a scheduled loss of generation under the GADS rules, which does not meet the definition of a forced outage under the cited KAR. The KAR goes on to state that "[i]f forced outages are not the result of faulty equipment, faulty manufacture, faulty design, faulty

installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection, or acts of the public enemy, then the utility may, upon proper showing, with the approval of the commission, include the fuel cost of substitute energy in the adjustment.” It is reasonable to distinguish COVID-induced labor shortages and supply chain issues from the ‘faulty-type’ conditions identified in the Commission’s regulation.