

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)
APPLICATION OF THE FUEL ADJUSTMENT)
CLAUSE OF LOUISVILLE GAS AND) **CASE NO. 2022-00039**
ELECTRIC COMPANY FROM MAY 1, 2021)
THROUGH OCTOBER 31, 2021)

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
DATED MAY 6, 2022

FILED: MAY 18, 2022

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's Second Request for Information
Dated May 6, 2022**

Case No. 2022-00039

Question No. 1

Responding Witness: Delbert Billiter

- Q-1. Refer to LG&E's response to Commission Staff's First Request for Information (Staff's First Request), Item 2, Attachment. For the same coal contracts held by both KU and LG&E, explain how the coal that is delivered is apportioned to each company.
- A-1. A coal delivery plan is developed each month to allocate the volume under each coal contract held by both LG&E and KU based on:
- a. the quality specification of the coal and the quality limits of each generating unit;
 - b. the coal requirements of each station based on the forecasted coal burn and inventory level for each station;
 - c. the coal origin and available transportation methods; and
 - d. the delivered price of the coal.

The coal delivery plan is developed to ensure the delivered coal quality meets the requirements of each generating unit, proper inventories are maintained at each station, that overall system transportation costs are minimized as much as practical, and delivered fuel cost to each station is balanced as much as practical. This delivery plan is subject to adjustments when events occur that result in actual coal burn and/or coal deliveries being different from the plan (i.e., supply production issues, transportation disruptions, unit outages, etc.).

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's Second Request for Information
Dated May 6, 2022**

Case No. 2022-00039

Question No. 2

Responding Witness: Michael P. Drake

- Q-2. Refer to LG&E's response to Staff's First Request, Item 15.
- a. Explain the difference between a "Scheduled" and "Forced" Outage.
 - b. Explain in detail how far in advance LG&E plans its Scheduled Outages before taking the units offline.

A-2.

- a. The Company uses the definitions and guidelines published by the North American Electric Reliability Corporation ("NERC") for reporting to the Generating Availability Data System ("GADS"). GADS definitions for determining outage classifications can be found in section III of the GADS Data Reporting Instructions on NERC's website:

https://www.nerc.com/pa/RAPA/gads/DataReportingInstructions/2022_GADS_DRI.pdf

A scheduled outage is any outage that has been planned. In terms of GADS codes, Planned Outage, Planned Extension, Maintenance Outage, and Maintenance Extension are all considered to be "scheduled" outages because they have been requested and approved by the load dispatcher ahead of the event. A forced outage occurs when a unit must be brought down immediately (typically less than 24 hours), regardless of approval from the load dispatcher, for reasons such as threat to human safety, inability to keep the unit online, or fear of immediate damage.

- b. As indicated in part (a) of this question, "scheduled" outages consist of Planned and Maintenance Outages under the NERC GADS definition. Planned Outages are scheduled to conduct maintenance and inspection activities on a generating unit. They are of a predetermined, and typically longer, duration. Planning for these outages may begin several years prior to the outage to facilitate engineering, material procurement, and contracting. Long-term plans for these outages are reviewed at least annually. Maintenance Outages are events that can be deferred beyond the end of the

following weekend but require the unit's removal from service prior to the next Planned Outage. Maintenance Outages are typically shorter than Planned Outages and have flexible start dates and durations. As such, a Maintenance Outage may be conducted on a relatively short planning horizon.