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Case No.:

DCA/Customer Bills
Mantle/Direct
Public Counsel
GR-2021-0241

DIRECT TESTIMONY

OF

LENA M. MANTLE

Submitted on Behalf of the Office of the Public Counsel

**UNION ELECTRIC COMPANY
D/B/A AMEREN MISSOURI**

FILE NO. GR-2021-0241

September 3, 2021

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Union Electric)
Company d/b/a Ameren Missouri's)
Tariffs to Increase its Revenues for Gas)
Service)
)


Case No. GR-2021-0241

AFFIDAVIT OF LENA M. MANTLE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Lena M. Mantle, of lawful age and being first duly sworn, deposes and states:


1. My name is Lena M. Mantle. I am a Senior Analyst for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.


Lena M. Mantle
Senior Analyst

Subscribed and sworn to me this 3rd day of September 2021.



TIFFANY HILDEBRAND
My Commission Expires
August 8, 2023
Cole County
Commission #15637121


Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2023.

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DIRECT TESTIMONY

OF

LENA M. MANTLE

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

FILE NO. GR-2021-0241

1 **INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Lena M. Mantle and my business address is P.O. Box 2230, Jefferson
4 City, Missouri 65102.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by the Missouri Office of the Public Counsel (“OPC”) as a Senior
7 Analyst.

8 **Q. On whose behalf are you testifying?**

9 A. I am testifying on behalf of the OPC.

10 **Q. Please describe your experience and your qualifications.**

11 A. I was employed by the OPC in my current position as Senior Analyst in August 2014.
12 In this position, I have provided expert testimony in electric, gas, and water cases
13 before the Commission on behalf of the OPC. I am a Registered Professional
14 Engineer in the State of Missouri.

15 Prior to my employment by the OPC, I worked for the Staff of the Missouri
16 Public Service Commission (“Staff”) from August 1983 until I retired as Manager of
17 the Energy Unit in December 2012. During the time of my employment at the
18 Missouri Public Service Commission (“Commission”), I worked as an Economist,
19 Engineer, Engineering Supervisor, and Manager of the Energy Unit.

20 Attached as Schedule LM-D-3 is a brief summary of my experience with
21 OPC and Staff and a list of the Commission cases in which I filed testimony,

1 Commission rulemakings in which I participated, and Commission reports in rate
2 cases to which I contributed as Staff.

3 **Q. What is the purpose of your direct testimony?**

4 A. In this testimony, I recommend the Commission discontinue the Delivery Charge
5 Adjustment mechanism.

6 I also recommend changes to the bills of customers that receive both natural
7 gas and electric service from Union Electric Company d/b/a Ameren Missouri
8 (“Ameren Missouri”) so the customers will be able to easily identify the cost of the
9 electric service separate from the cost of natural gas.

10 **Delivery Charge Adjustment Mechanism**

11 **Q. What is the Delivery Charge Adjustment?**

12 A. The Delivery Charge Adjustment (“DCA”) is an interim rate mechanism that
13 compares the actual amount of billed revenue to the normalized revenue set in the
14 last rate case and, if the revenue amount billed is less than the normalized revenue,
15 Ameren Missouri recovers the difference from its customers through the DCA. If
16 the amount billed is more than the normalized revenue, Ameren Missouri returns
17 the excess to its customers. The mechanism applies to the second block of
18 residential usage (greater than 30 Ccf) and the usage between 101 Ccf and 400 Ccf
19 for the general service customers.

20 **Q. Would you give some background on the DCA?**

21 A. In the last Ameren Missouri general rate case, GR-2019-0077, Staff proposed in its
22 rebuttal the Volume Indifference Reconciliation to Normal (“VIRN”) mechanism
23 due to its concerns with the Weather and Conservation Adjustment Rider
24 (“WCAR”) proposed by Ameren Missouri. A modified VIRN mechanism was
25 agreed to as part of the First Amended Nonunanimous Stipulation and Agreement

1 in that case. The modified VIRN was implemented by Ameren Missouri as the
2 DCA.

3 **Q. What is your recommendation to the Commission regarding the DCA in this**
4 **case?**

5 A. I recommend the Commission discontinue Ameren Missouri's DCA.

6 **Q. Why?**

7 A. It is a decoupling mechanism that is similar to the mechanism requested by Spire,
8 Inc. and denied by the Commission in GR-2017-0215. In that case, Spire proposed
9 the Commission approve a mechanism it called the Revenue Stabilization
10 Mechanism ("RSM") that would have compared the average customer usage as set
11 in the rate case against the actual customer usage. Spire's proposal was in effect
12 decoupling in that it guaranteed Spire a set revenue.

13 **Q. Why did the Commission deny Spire's request?**

14 A. The Commission found that the RSM adjusted rates for all changes in usage and on
15 page 85 of its *Report and Order* in GR-2017-0215 found:

16 The Commission determines that a RSM as proposed by Spire Missouri is
17 not necessary for the company because the utility is not having any
18 difficulty meeting its revenue requirement and has not been shown to be a
19 good mechanism to incentivize conservation. Further, **the RSM as**
20 **proposed is not authorized by the statute.** Therefore, the Commission
21 rejects Spire Missouri's proposed RSM. (emphasis added)

22 **Q. What statute was the Commission referring to?**

23 A. Spire had proposed the RSM for weather and/or conservation under § 386.266.3.

24 **Q. Has Ameren Missouri proposed continuation of the DCA under this statute in**
25 **this case?**

26 A. No. Ameren Missouri has not provided testimony on why the Commission should
27 allow the DCA to continue.

1 **Q. Is the DCA a decoupling mechanism?**

2 A. Yes. While the DCA mechanism does not completely decouple revenue from
3 usage, it is a decoupling mechanism because it guarantees Ameren Missouri the
4 revenue for the blocks of usage with the most variation in usage. Therefore, the
5 Commission should order the DCA be discontinued.

6 **Customer Bills**

7 **Q. What are you recommending the Commission order with regard to customer**
8 **bills?**

9 A. I recommend the Commission order, for the monthly bills of Ameren Missouri electric
10 customers that are also Ameren Missouri natural gas customers, Ameren Missouri
11 clearly and distinctly state which charges are associated with electric service and
12 which charges are associated with gas service along with a total cost of electric service
13 and total cost of gas service. I have attached recent bills of residential and a general
14 service electric and natural gas customer to this testimony as Schedules LMM-D-1
15 and LMM-D-2 to show the myriad of charges on customers' bills and the illogical
16 presentation of the charges. The "Current Charge Detail" of the general service bill is
17 shown below.

Current Charge Detail for Statement 04/21/2021	
Base Energy Chg-Small General 3 Phase	\$271.09
Seasonal Energy Chg-Small General 3 Phase	\$0.00
Gas Energy Charge - General Service	\$43.89
Electric Customer Charge - Small General 3 Phase	\$19.99
Gas Customer Charge - General Service	\$28.44
Renewable Energy Adjustment	\$0.59
Fuel Adjustment Charge	\$0.90
Purchase Gas Adjustment (PGA)	\$62.10
Delivery Charge Adjustment	\$0.52
Infrastructure Replacement Surcharge	\$0.00
Energy Efficiency Investment Charge	\$20.22
Jeff City-Cole Co Municipal Charge	\$28.58
Amount Due	\$476.32

18

1 **Q. Which of these charges are for electric service and which are for gas service?**

2 A. The table below shows which charges are electric service charges and which are
 3 natural gas service charges.

	<u>Electric</u>	<u>Gas</u>
Base Energy Chg – Small General 3 Phase	X	
Seasonal Energy Chg – Small General 3 Phase	X	
Gas Energy Charge – General Service		X
Electric Customer Charge – Small General 3 Phase	X	
Gas Customer Charge – General Service		X
Renewable Energy Adjustment	X	
Fuel Adjustment Charge	X	
Purchase Gas Adjustment (PGA)		X
Delivery Charge Adjustment		X
Infrastructure Replacement Surcharge		X
Energy Efficiency Investment Charge	X	

4

5 **Q. Is the total charge associated with natural gas service shown on the customer’s**
 6 **bill?**

7 A. I could not find it on the residential or general service bill.

8 **Q. Is the total charge associated with electric service shown on the customer’s**
 9 **bill?**

10 A. I could not find it on the residential or general service bill.

11 **Q. Why is it important for customers to easily be able to find how much of their**
 12 **Ameren Missouri monthly bill is for electric and how much is for natural gas?**

13 A. Bills provide price signals to customers. When charges for different services are
 14 disaggregated and intermingled, price signals and responses to actions and
 15 inactions are indistinguishable to customers. Without a separate total for electric
 16 and gas separately disclosed on customers’ bills, customers cannot tell how much
 17 they are saving on their electric service from getting rid of their second refrigerator

1 or from their natural gas service from replacing their old natural gas storage water
2 heater with a demand water heater.

3 Therefore, I recommend the Commission require Ameren Missouri to
4 distinguish on the bills of its electric and natural gas customers, which charges are
5 for electric service, which charges are for natural gas service, and the total bill for
6 electric service separate from natural gas service.

7 **Q. You have attached to this testimony a residential bill and a general service bill.
8 Is your recommendation that the electric and gas service costs be shown only
9 on residential and general service customer bills?**

10 A. No. While larger customers have the ability to calculate their electric service cost
11 separately from their natural gas cost, it does not mean that they should have to do
12 so to know the cost of the service provided. The cost of every customer's electric
13 service should be easily identifiable separately from their gas service on their bill
14 and not require customers to do additional calculations.

15 **Q. Does this conclude your direct testimony?**

16 A. Yes.