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Impact on FAC

Mantle/Rebuttal

Public Counsel

ET-2025-0184

REBUTTAL TESTIMONY

OF

LENA M. MANTLE

Submitted on Behalf of the Office of the Public Counsel

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

CASE NO. ET-2025-0184

September 5, 2025

REBUTTAL TESTIMONY

OF

LENA M. MANTLE

UNION ELECTRIC COMPANY, d/b/a AMEREN MISSOURI

CASE NO. ET-2025-0184

Q. Would you state your name?

A. My name is Lena M. Mantle.

Q. Please state your name and business address.

A. My name is Lena M. Mantle and my business address is P.O. Box 2230, Jefferson City, Missouri 65102. I am a Senior Analyst for the Office of the Public Counsel (“OPC”).

Q. Please briefly describe your experience and your qualifications.

A. I have been employed by the OPC in my current position since August 2014. In this position, I have provided testimony and support in electric, natural gas, and water cases for the Public Counsel. Prior to my employment for the OPC, I worked for the Staff of the Missouri Public Service Commission (“Staff”) from August 1983 until I retired in December 2012. During the time that I was employed at the Missouri Public Service Commission (“Commission”), I worked as an Economist, Engineer, Engineering Supervisor and Manager of the Energy Department.

Attached as Schedule LMM-R-1 is a brief summary of my experience with OPC and Staff along with a list of the Commission cases in which I filed testimony, Commission rulemakings in which I participated, and Commission reports to which I contributed. I am a Registered Professional Engineer in the State of Missouri.

To provide a basic understanding of the Fuel Adjustment Clause (“FAC”) as it operates in Missouri, I have attached as Schedule LMM-R-2 to this testimony the whitepaper I authored titled, “Electric Utility Fuel Adjustment Clause in Missouri: History and Application.”

1 **Q. To what direct testimony are you responding?**

2 A. I am responding to the direct testimony of Union Electric Company d/b/a Ameren
3 Missouri (“Ameren Missouri”) witness Steven M. Wills regarding the large load
4 customers¹ and Ameren Missouri’s fuel adjustment clause (“FAC”).

5 **Q. Why is there a need to examine how the large load customers will impact**
6 **Ameren Missouri’s FAC?**

7 A. Section 393.130.7, RSMo.² requires tariff schedules that “prevent other customer
8 classes' rates from reflecting any unjust or unreasonable costs arising from service
9 to such [large load] customers.” Ameren Missouri’s current FAC is a tariffed
10 mechanism that includes costs that will be impacted by the addition of large
11 customers.

12 **Q. Overall, what would be the impact of adding large load customers on Ameren**
13 **Missouri’s FAC charges based on Ameren Missouri’s current FAC tariff**
14 **language?**

15 A. Adding large load customers will increase FAC cost components, but it will not
16 change FAC revenues. This means that, as large load customers are added, the
17 average actual FAC cost will increase above the FAC base cost set in Ameren
18 Missouri’s most recent general rate case. Because the FAC mechanism allows an
19 electric utility to recover the difference between actual FAC costs and FAC base
20 costs, the difference being driven by the addition of large load customers will
21 ultimately increase the amount that Ameren may recover through the FAC.
22 Moreover, this increase in FAC costs will ultimately be passed onto all of Ameren’s
23 existing customers. This will cause Ameren Missouri’s other retail customers to
24 pay a portion of the costs Ameren Missouri incurs to serve these large load

¹ Service Classification 11M – Large Primary Service customers with a demand of at least 100 megawatts (“MW”).

² Effective August 28, 2025.

1 customers until these costs are included in the FAC base cost as part of a future
2 general rate proceeding.

3 **Q. Your prior answer referenced “FAC cost components.” Can you please**
4 **provide a general overview of the cost and revenue components that make up**
5 **the FAC?**

6 A. Basically, the FAC includes the cost of fuel, the cost of purchased power (including
7 the cost paid to the Midcontinent Independent Operator (“MISO”) for energy),
8 MISO capacity costs, and a portion of the MISO transmission costs. These costs
9 are offset by revenues paid to Ameren Missouri from MISO for energy and capacity
10 provided, a portion of transmission revenues, auction revenue rights
11 (“ARR”)/Transmission congestion rights (“TCR”) revenues, and revenues from the
12 sales of excess renewable energy credits (if any).³

13 **Q. What impacts will large load customers have on the costs that flow through**
14 **Ameren Missouri’s FAC as it is currently designed?**

15 A. I do not think that we will actually know all the impacts until Ameren Missouri has
16 a large load customer and we know what the load⁴ of this customer looks like. At
17 a minimum, the amount of energy for which Ameren Missouri must pay MISO
18 through its energy market will greatly increase as will what Ameren Missouri pays
19 in the MISO capacity market. Volatility in the customer’s load could also cause an
20 increase in certain MISO charges associated with such load volatility.⁵

21 In addition, if Ameren Missouri enters into a short-term capacity contract
22 (less than 12 months) to meet the increased MISO resource adequacy requirements
23 because of a new large load customer, the costs of this contract would flow through

³ A more detailed list can be found in Ameren Missouri’s FAC rider tariff sheets, Mo. P.S.C. Schedule No. 6, 3rd Revised Sheet No. 72 through Original Sheet No. 72.13.

⁴ Demand (MW) and energy (MWh) requirements.

⁵ Voltage regulation, spinning reserve requirements, forecast deviation are at least three of the types of cost types that will be impacted.

Ameren Missouri's FAC, as the current FAC allows recovery of capacity costs of contracts of less than a year in duration.

Q. Will the fuel costs that flow through the FAC increase because of the large additional energy requirements of these customers?

A. No. Utilization of Ameren Missouri's generation resources does not directly vary according to its own customer's loads. Instead, Ameren Missouri bids its generation into the MISO energy market and MISO determines which resources to dispatch depending on the load requirements of MISO members as a whole and the price bid by Ameren Missouri. Therefore, fuel costs are determined, on the economics of the energy market and the efficiencies of the resource, not by the load of Ameren Missouri's customers.⁶ Large load customers will not impact the fuel costs incurred by Ameren Missouri.

Q. Will the addition of large customers reduce the revenues provided by MISO for generation provided by Ameren Missouri?

A. No. Just as the cost of fuel is dependent upon the energy market and not Ameren Missouri's load, the revenues provided for generation is not impacted by Ameren Missouri's load. It is dependent upon the energy market prices and the efficiencies of the generation resources bid into the MISO energy market not the energy requirements of Ameren Missouri's customers.

⁶ While a large customer will impact the energy market, in June 2025 MISO had 203,000 MW of installed capacity available. One large customer of 100 MW or even 1,000 MW on its own does not significantly impact the MISO energy market.

1 **Q. Mr. Wills describes the impacts if the Company were to enter into any**
2 **contractual arrangements under which capacity revenues and/or costs were**
3 **dedicated to a large load customer. Is this the only possible capacity cost**
4 **impact on FAC adding large load customers?**

5 A. No. If no additional generation resources are needed to meet the MISO capacity
6 requirements, then the impact will be an increase in the capacity costs. Capacity
7 revenues will not change if the capacity does not change.

8 If new resources are added coincidentally with the load of the new large load
9 customer, then there should be additional capacity revenues to offset the increase
10 in capacity charges.

11 **Q. Are there other FAC charges that will be affected?**

12 A. Yes. There are some MISO charges that are based on Ameren Missouri's load. As
13 the load increases, these charges will also increase.

14 **Q. What do you recommend to reduce the subsidization in Ameren Missouri's**
15 **FAC of these large customers by Ameren Missouri's other customers?**

16 A. I recommend that the FAC net costs for these customers be tracked separately from
17 the other customers' FAC net costs and not be passed through the current Rider
18 FAC. Since Section 386.266.5, RSMo, provides that the Commission can only
19 authorize modifications to Ameren Missouri's FAC in a general rate case, this
20 would be effectuated by adding language to the Large Primary Service Rate
21 Schedule No. 11(M) tariff sheets that the FAC rider does not apply to these
22 customers. If Ameren Missouri is concerned regarding recovery of FAC costs of
23 these customers, then it should propose language in its Schedule No. 11(M) to
24 recover the excess costs or return the savings to the large load customers. Then in
25 Ameren Missouri's next general rate case, its FAC rider can be modified to exclude
26 these customers.

1 **Q. Would this recommendation resolve Mr. Will's concern regarding contractual**
2 **arrangements under which capacity revenues and/or costs were dedicated to**
3 **a large load customer?⁷**

4 A. Yes, it would.

5 **Q. Does this conclude your rebuttal testimony?**

6 A. Yes, it does.

⁷ Page 51.

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

In the Matter of the Application of Union Electric)
Company d/b/a Ameren Missouri for Approval of)
New Modified Tariffs for Service to Large Load)
Customers)

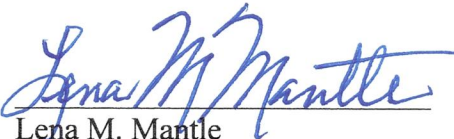
Case No. ET-2025-0184

AFFIDAVIT OF LENA M. MANTLE

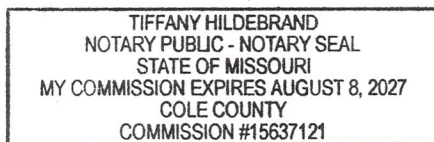
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

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 rebuttal 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 4th day of September 2025.



My Commission expires August 8, 2027.


Tiffany Hildebrand
Notary Public