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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ET-2025-0184

SURREBUTTAL TESTIMONY

OF

ROBERT B. DIXON

ON

BEHALF OF

UNION ELECTRIC COMPANY

D/B/A AMEREN MISSOURI

**St. Louis, Missouri
November, 2025**

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SURREBUTTAL TESTIMONY

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Robert B. Dixon. My business address is One Ameren Plaza, 1901 Chouteau Ave., St. Louis, Missouri.

Q. Are you the same Robert B. Dixon that submitted direct testimony in this case?

A. Yes, I am.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your surrebuttal testimony?

A. My surrebuttal testimony will address three key items:

1. The importance of staying focused on the central question in this case given the Staff's novel, complex, and flawed tariff proposal;
2. Various points raised by OPC in its rebuttal testimony; and
3. The lack of competitiveness for economic development that the adoption of Staff's proposal would create.

III. CENTRAL QUESTION OF THIS CASE

Q. Fundamentally, what is the question before the Missouri Public Service Commission ("Commission") in this case?

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1 A. So many extraneous concepts have been discussed in both Evergy's and Ameren
2 Missouri's Large Load Customer Rate Plan proceedings, that it may be easy to lose sight of the
3 core objective here. That is, the Commission must judge whether the proposed tariff is 1)
4 supportive of economic development in accordance with the policies and priorities of the State of
5 Missouri and 2) whether, consistent with the governing statute (Section 393.130.7) and the
6 Commission's ongoing oversight and ratemaking authority, the tariff reasonably ensures unjust
7 and unreasonable costs are not passed on to other customers and that the new large customers pay
8 their fair share of the costs to serve them.

9 **Q. What makes a tariff competitive for economic development?**

10 A. Both new and prospective customers desire rates that are just, reasonable, and
11 affordable. Customers value simplicity in rate design and contract terms, and in my experience in
12 dealing with potential large load customers, they are seeking to pay their fair share but not more.
13 Thus, in absolute terms, a competitive tariff for Missouri is one that has relatively simple terms
14 that include key protections like a minimum bill, term, exit and termination fees, and financial
15 security provisions, and that is backed by the kind of risk analysis conducted by Ameren Missouri
16 in this case.

17 Of course, in addition to the absolute terms, to be competitive, the tariff must also be just,
18 reasonable, and affordable when compared to other states in which a prospective customer could
19 locate. Rates and contract terms cannot be so far out of market norms that they disincentivize
20 investment in our state. The complex and novel approach proposed by Staff or the hodge-podge of
21 items proposed by OPC, both seemingly developed without customer input or concern for
22 Missouri's position in the broader market, are simply not competitive.

1 **Q. What tariff and contract terms provide reasonable assurance that other**
2 **customers do not bear unjust or unreasonable costs from serving large load customers?**

3 A. The totality of Ameren Missouri's proposal creates a framework that reasonably
4 ensures other customers do not bear unjust or unreasonable costs. As detailed at length in Ameren
5 Missouri witness Steve Wills' Direct Testimony, the rates paid by large load customers, combined
6 with long-term contract obligations including a 15-17 year commitment, minimum demand
7 payments, termination or reduction fees, and financial security requirements are designed
8 specifically to ensure large load customers pay their fair share and do not unjustly pass costs to
9 others.¹ This is accomplished on day one through day 5,478 of the term because these provisions
10 are codified in the tariff and executed in the binding contract, an Electric Service Agreement, that
11 must be consistent with the tariff provisions. For the same reason, these provisions also address
12 concerns from those who may worry about stranded asset risks, if that were an issue, although
13 under Ameren Missouri's plans, the Company is only accelerating generation that it would have
14 otherwise built later in order to serve large load customers. The long-term contracts bind these
15 new customers to robust financial obligations, thereby safeguarding Missourians.

16 It is also important to note that Missouri does not need to enact complex rate designs to
17 accomplish consumer protections, as Steve Wills addresses in his Surrebuttal Testimony. The
18 simple yet robust structure proposed by Ameren Missouri creates the framework to reasonably
19 ensure costs are not unjustly passed on to other customers, while still being competitive to attract
20 the economic development in the first place. Staff's or OPC's designs may be labeled as consumer
21 protections, but the combination of overcharging large load customers, as Mr. Wills' Surrebuttal

¹ File No. ET-2025-0184, Steven M. Wills Direct Testimony, p. 13, l. 16 to p. 14, l. 9.

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1 Testimony discusses, and the tariff's complexity and lack of competitiveness is likely to dissuade
2 the very economic development sought by the state.

3 **Q. There have been many, many other topics debated in the written and oral**
4 **testimonies in both Evergy's & Ameren Missouri's Large Load Customer tariff cases. Should**
5 **the Commission consider these other topics as well?**

6 A. No. Between both cases, the Commission has had to endure thousands of pages of
7 written testimony, along with dozens of hours of proceedings. Much of this was seemingly
8 designed to create fear about new technology because certain parties decided serving large load
9 customers is not worth the "risks," despite the clearly stated goals of the state to the contrary.
10 Nothing that happens in this case takes away the Commission's ongoing oversight and ratemaking
11 authority to address any and every future issue, should they arise. This is not the Commission's
12 one-and-only opportunity but in the competitive landscape for investment the state is facing,
13 Missouri likely is experiencing a once in a generation opportunity that if not handled properly, it
14 will not realize at all.

15 Of course, the Commission maintains authority to allocate costs in the next and every future
16 rate case, just as it always has. Before any new generation resources are built, they must be
17 approved according to the CCN process. In addition to its over 100-years' worth of utility
18 regulation authority, the Commission has new authorities contained in Senate Bill 4 ("SB 4") to
19 address some of the issues it will likely face in the future, including a new State Reliability Metric
20 and a binding Integrated Resource Planning process. Beyond that, the utilities are required to
21 provide adequate and reliable service, and they must operate according to good utility practices.
22 Absolutely nothing in this case degrades any of these long-standing principles of utility regulation
23 in Missouri.

1 Despite what's been suggested by OPC in its opening statement in the Evergy large load
2 case and by the Direct Testimony of OPC witness Dr. Geoff Marke in this case, the only legacy²
3 at stake here is the potential loss of the incredible economic development opportunity if Missouri
4 gets this wrong. To repeat the point: at the end of the day, the fundamental question before the
5 Commission is to determine if Ameren Missouri's Large Load Customer Rate Plan is 1) supportive
6 of the state's economic development policies and priorities and 2) that together with the
7 Commission's ongoing oversight and ratemaking authority, reasonably ensures the large new
8 customers pay their fair share and that unjust and unreasonable costs are not passed on to other
9 customers.

10 **IV. ADDRESSING DOOMSDAY SCENARIOS RAISED BY OPC**

11 **Q. OPC witness Dr. Geoff Marke spends much of his Rebuttal Testimony warning**
12 **of various doomsday scenarios. Does the Commission need to consider changing business**
13 **cycles or have an intimate knowledge of the industries operating in Missouri in order to**
14 **establish just and reasonable rates?**

15 A. No. It is inappropriate for the OPC to saddle the Commission with the responsibility
16 to determine what the future of Artificial Intelligence ("AI") or the future of any industry³ will be
17 as it contemplates rate and service term structures. The OPC seems to be attempting to obscure the
18 central question before the Commission with impossible to predict future states. The Commission
19 does not regulate AI just as it does not regulate any customer of investor-owned utilities. The only
20 thing that is relevant to these proceedings is whether the proposal attracts economic development
21 while reasonably ensuring the new large customers pay their fair share of costs and that unjust and

² File No. EO-2025-0154, Tr. (Vol. 2) p. 103, ll. 5-7.

³ While data center development is driven in part by AI, there are other significant and key drivers as well, including cloud computing and enterprise data management, among other applications.

1 unreasonable costs are not passed on to others. The best path to do this is through a reasonably
2 competitive rate and service terms structure (that is, it is consistent with the U.S. market generally)
3 and with tariff and contract terms that provide reasonable protections to other customers should
4 the large load customers leave.

5 No commission can or should be expected to know what the future holds for every or any
6 industry within its jurisdiction. Throughout its history, the Commission has seen industries rise
7 and fall. That is what happens in the economy. The only difference between the past and the
8 present-day situation is that the prospective new customers are very large. That is precisely why
9 it is important to remember the totality of Ameren Missouri's proposal, which includes binding
10 financial commitments designed to reasonably ensure that unjust and unreasonable costs are not
11 passed on to others. Discussions about what particular industries will or will not do may be
12 interesting in the academic sense, but they are red herrings in these proceedings. I do not pretend
13 to know what the future of AI or any industry will be. I do know that there is a tremendous
14 economic development opportunity for Missouri right now and that we must enact tariff and
15 service terms that are reasonable and effective whether applied in periods of economic boom or
16 bust. That is what Ameren Missouri's proposal in this case seeks to address.

17 **Q. OPC witness Dr. Marke stated that he does not see the "trillion dollar"**
18 **problem that AI is intended to solve, he questioned the financial viability of the technology**
19 **industry, and he referred to its product as "AI Slop." Is any of this relevant to the question**
20 **before the Commission now?**

21 A. No. In the United States, the private sector does not generally need to vet its
22 investment nor its innovation strategies through state government, and that is not what the
23 Commission is ultimately being asked to adjudicate. In fact, respectfully, it is not the

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1 Commission's job to decide which company, firm, or industry is worthy of investing in Missouri.
2 Rather, it is the Commission's job to regulate rates and service terms of those who choose to locate
3 here. Clearly, industry and those who provide capital see value in the development of data centers
4 to support a wide variety of uses, despite what Dr. Marke contends, which is why they are investing
5 trillions of dollars to do so. To this end, Ameren Missouri witness Darryl Sagel has provided
6 several perspectives on the financial dynamics involved in the technology industry in his
7 surrebuttal testimony.

8 This is often what happens in the economy when new technology is introduced. As a
9 famous example, it took Amazon nearly a decade to post its first full-year profit. Today, I count
10 myself among the hundreds of millions of consumers who have regularly adopted this technology
11 into my life, especially during Christmastime. Following the invention of the automobile, I
12 imagine there were people who wanted to prevent that innovation from occurring because it was
13 happening quickly and would change the status quo. At that time, if Missouri took the position
14 that the new technology was not "worth it," we would likely still be trying to prop up the horse
15 and buggy manufacturing industry, rather than be in a state where the modern automotive industry
16 is thriving. In my estimation, this is a corollary to what is happening now in the technology
17 industry.

18 The solution to potential economic disruption is not to bury one's head in the sand and
19 pretend it is not happening or to seek to close Missouri's borders to the global economy. It is not
20 to sit and watch other states to reap the benefits, while Missouri is passed by. Instead, the solution
21 is to enact policies that allow our state to compete for the economic development opportunities,
22 while taking steps to reasonably protect Missourians from the potential impacts. This is exactly
23 what the state of Missouri has done by prioritizing economic development and passing SB 4. The

1 proposed tariff and contract service terms put this into practice now, and the Commission's ongoing
2 authority addresses it for the long term.

3 Today, we are having this discussion about the energy-related impacts regarding data center
4 development. As with any industry as it grows, it is likely that future policies will be needed to
5 address other aspects of these technologies as they continue to evolve – perhaps related to
6 workforce, taxation, privacy, or any number of topics. This is normal (e.g., we did not need speed
7 limit laws before cars were invented.) As the economy changes, so too does the need for public
8 policy to adapt. And it will. The Commission should not be distracted by being drawn into endless
9 philosophical discussions or matters beyond its jurisdiction that ultimately do not help Missouri
10 move forward with the opportunities presented today.

11 **Q. Is AI the next market "bubble "as Dr. Marke has argued?**

12 A. I do not know, and respectfully, neither does Dr. Marke. Ultimately, the answer to
13 this question is not relevant to the Commission because the tariff and service terms codified in the
14 Electric Service Agreements and the Commission's ongoing oversight provide reasonable
15 assurance that other customers are protected should a "bubble" burst, especially including the
16 financial security requirements and termination fees. Additionally, as discussed in Matt Michel's
17 Direct Testimony, Ameren Missouri intends to serve these new large customers by accelerating
18 generation resources it otherwise planned to build in the future anyway.⁴ This means that should
19 a "bubble" burst, Ameren Missouri would adjust its future resource needs, thereby mitigating
20 claimed stranded asset risks as Mr. Arora discusses in his Direct and Surrebuttal Testimonies.

21 **Q. If Missouri decided that it did not want to attract data centers because of the**
22 **concerns about the industry raised by Dr. Marke, what is the likely outcome?**

⁴ File No. EO-2025-0184, Matt Michels Direct Testimony, p. 3, ll. 13-14.

1 A. Data centers are going to be built somewhere – with or without Missouri – because
2 of global consumer demand. The only result in following Dr. Marke's logic to its natural
3 conclusion is that Missouri will miss opportunities to attract significant economic development
4 benefits, including new jobs, tax revenues to fund local services, digital products that almost
5 literally everyone uses in their personal and professional lives, and new large customers who help
6 pay for new infrastructure to the ultimate benefit of everyone. If Missouri enacted a large load
7 tariff designed to discourage large data centers from coming here, they will simply build them in
8 other states, which may include states surrounding us like Kansas, and those benefits will go there
9 instead.

10 **Q. Throughout these proceedings, there has been much debate about the**
11 **importance of job creation, especially when comparing a manufacturer to a data center. Are**
12 **construction jobs stimulated by data centers even worth pursuing?**

13 A. Yes, they are. To my knowledge, no one has argued that data centers create as many
14 permanent jobs as a manufacturer, but they clearly have a significant positive impact on
15 employment and wages, which I have detailed in my Direct Testimony. Although OPC downplays
16 the impact of construction and trades jobs created by data centers as "difficult to capture,"⁵ it is a
17 profound mistake to dismiss the importance of these so-called temporary jobs.

18 As of August 2025, there are about 152,000 Missourians working in construction.⁶ These
19 are family-supporting jobs that offer people the opportunity to work in construction over the course
20 of their entire career. Missourians work in and retire from the construction industry every day.
21 While the individual construction projects they work on may last a few years, there is nothing

⁵ File No. ET-2025-0184, Geoff Marke Rebuttal Testimony, p. 4, l. 20.

⁶ [Missouri Economy at a Glance](#).

1 inherently temporary about a career in construction. The trick, though, is that they need to have
2 things to build in Missouri, which is why attracting large data centers is vital to the permanent
3 employment of the people in this field. As I have outlined in previous testimony, large data centers
4 represent what could be the single largest instances of capital investment in the state's history,
5 triggering a wave of construction – and construction employment. Additionally, the nature of a
6 data center is such that even after the initial construction, there are regular equipment upgrades
7 over the years that require the ongoing employment of skilled trades workers to do. As I discussed
8 in my Direct Testimony, these construction jobs are part of the tremendous economic impact
9 stimulated by data center construction, including the direct, indirect, and induced employment as
10 well as the additional spending and economic activity in local communities across the state.

11 Those who only look at these projects "on paper" might easily dismiss the impact on real
12 Missourians who make their livelihood by building things. In reality, these are good jobs and there
13 are many of them that will be supported here if we can just attract even a fraction of the billions
14 upon billions of capital investment that is knocking on Missouri's door right now.

15 **Q. Since there have been instances of public opposition to data center**
16 **development, should the Commission enact a large load tariff that dissuades data centers**
17 **from coming to Missouri?**

18 A. No. As Dr. Marke pointed out in his testimony, there have been some recent
19 examples where a local Missouri community has enacted policies that prohibit data center
20 development.⁷ At the same time, as is described below, there are examples of communities that
21 have celebrated them. While I am clearly on the record in support of attracting large data centers

⁷ File No. ET-2025-0184, Geoff Marke Rebuttal Testimony, p 9, ll. 11-15.

1 to Missouri because of their significant economic development benefits, I also understand the local
2 aspects of development.

3 In short, it is normal for some communities to embrace certain types of development and
4 for others to seek to restrict them. Each community in Missouri is free to enact the local land use
5 and permitting guidelines in its jurisdiction to support the type of development it seeks. That is
6 what is happening in communities across the country and in Missouri right now. Still, there are
7 ample reasons for communities to support data center development at the local level, not the least
8 of which is the significant tax revenue they generate,⁸ and I encourage every community to
9 consider how best to incorporate this type of development.

10 Whether some communities embrace data centers or reject them is not the point, though.
11 The point of this proceeding is how the Commission will enact a tariff that is both attractive to
12 economic development and that reasonably ensures these data centers pay their fair share of energy
13 costs, and that no unjust and unreasonable costs are passed to others. Through the local land use
14 process, data centers will locate where they are welcomed, not in communities where they are not.
15 The proposed large load tariff before the commission provides a framework to serve these
16 customers when they locate in those supportive communities.

17 **Q. Is it the policy of the state of Missouri to attract economic development,**
18 **expressly including data centers?**

19 **A.** Yes. I discussed this in detail in my Direct Testimony. Leadership across the state
20 has been supportive of data centers locating in Missouri and of all the associated benefits. During
21 his entire term, Governor Parson prioritized economic development across his administration, with

⁸ These tax revenues are significant even if the large customers receive some exemption because the incremental taxes that they would bring to our communities, schools, and the state will not be realized at all without the investment made by new large load customers.

1 a focus on workforce and infrastructure development. As it relates to data centers and large electric
2 load customers, two of Missouri's most prominent economic development "wins" during this time
3 included the Meta and Google data center announcements in the Kansas City region, resulting in
4 an approximately \$2 billion capital investment. Elected officials spanning the political spectrum
5 noted the importance of these projects to the state and its communities. As Governor Parson said:

6 Google's selection of the Kansas City region is another example of our state's
7 ability to attract and support world-class companies. Our skilled workforce,
8 superior infrastructure, and prime business climate continue to result in investments
9 from leading employers. We welcome Google to Missouri and look forward to the
10 positive impact it will provide for our growing high-tech sector.⁹

11
12 Kansas City Mayor Quinton Lucas agreed that data centers were beneficial for the region:

13 Meta's investment in Kansas City is a clear signal that our city is a place where
14 innovation, talent, and community come together. We look forward to working with
15 Meta to ensure this development.¹⁰

16
17 **Q. Has advancing economic development through constructive energy**
18 **policies continued to be a priority for the current Governor and administration?**

19 A. Unequivocally, yes. In his 2025 state of the state address, shortly after taking
20 office, Governor Kehoe outlined his top priorities for Missouri, which are public safety,
21 economic development, agriculture, education, and government improvements.¹¹ As it
22 relates to economic development, Governor Kehoe said, "We're going to work hard to
23 retain and recruit businesses here in Missouri." He noted his support for the extension of
24 economic development incentives, and he said, "infrastructure and economic development
25 go hand in hand."¹²

⁹ Google Announces \$1 Billion Data Center In Kansas City, Missouri - Missouri Partnership.

¹⁰ Meta Data Center Opens; Represents \$1B Investment in Missouri - Missouri Partnership.

¹¹ [SECURING MISSOURI'S FUTURE: Governor Kehoe Delivers First State of the State Address | Governor Mike Kehoe.](#)

¹² [EMBARGOED 2025 State of the State Address Media Copy.pdf](#)

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1 Following his state of the state address, Governor Kehoe outlined the early
2 accomplishments of his administration in his first 100 days in office. One accomplishment
3 he highlighted was signing SB 4, which he described as "ensuring safe, reliable, and
4 affordable power is generated right here in Missouri *and supporting long-term economic*
5 *development efforts* (emphasis added).¹³ SB 4, of course, plays a prominent role in the
6 various large load rate plans currently before the Commission. It is important to note here
7 the duality of the Governor's statements: providing the power *and* supporting economic
8 development, which he further outlined upon signing the bill into law:

9 With this legislation, Missouri is well-positioned to attract new industry,
10 support job growth, and maintain affordable, reliable energy for our
11 citizens. This is about powering Missouri for Missourians and not relying
12 on other states and countries to produce our power. This legislation
13 strengthens our economic development opportunities, helps secure our
14 energy independence, and provides consumer protections to build a resilient
15 energy future for generations to come. The legislation is designed to respond
16 to skyrocketing energy demand and outdated energy policy, introducing
17 vital reforms to ensure Missouri can meet its growing electricity needs.¹⁴

18
19 Senior members of Governor Kehoe's administration are carrying out the Governor's
20 priorities, particularly as it relates to providing energy to support large load economic development
21 opportunities. Speaking about the recent Nuclear Summit, Department of Natural Resources
22 Director Kurt Schaefer said,

23 Capitalizing on this momentum will show that Missouri can be a
24 forerunner in nuclear technologies. Otherwise, Missouri could lose
25 out on the monumental amount of private sector investment and jobs
26 up for grabs to states that succeed in delivering a carbon-free and
27 reliable energy landscape.¹⁵

¹³ [Marked by Decisive Action and Meaningful Progress: Governor Kehoe's First 100 Days | Governor Mike Kehoe.](#)

¹⁴ [Governor Kehoe Signs SB 4 into Law, Securing Missouri's Energy Future and Economic Growth | Governor Mike Kehoe](#)

¹⁵ [Energy leaders commit to explore Missouri's energy future at Nuclear Summit | Missouri Department of Natural Resources](#)

1 Similarly, speaking on the decision by a data center to locate in Kansas City, Missouri's Department
2 of Economic Development Director Michelle Hataway said, "DED is proud to join our partners in
3 supporting Edged's impressive new facility in Kansas City. This exciting project exemplifies our
4 state's ability to attract and support next-generation companies as they invest, innovate, and help
5 Missourians prosper."¹⁶ It is clearly the will of the state of Missouri to succeed in economic
6 development, and that expressly includes the type of large electric load customers who bring
7 billions of dollars in new capital investment and thousands of new jobs.

8 **Q. Is it important for the Commission to make its decision on Ameren Missouri's**
9 **filing now or can that decision be delayed?**

10 A. A delay serves no one other than perhaps Kansas and the other states with
11 which Missouri is competing against in economic development. The potential customers who are
12 awaiting the completion of this case to determine whether they will make significant investments
13 in the state will not wait for Missouri to figure it out, and they will instead invest in other locations
14 that can move faster.

15 During its opening statement in the Evergy large load customer case, OPC suggested
16 delaying the Commission's decision to conduct a "workshop." Even the most expeditious of
17 workshops is likely to take months to complete, following which the Commission would be faced
18 with nearly the same decisions that are before it right now in both companies' cases. Further,
19 Ameren Missouri's tariff proposal was developed following rigorous internal analysis, an
20 examination of the broader market across the country, and extensive discussions with potential
21 customers. It is my understanding that Evergy developed its proposed tariff through a similar

¹⁶ [Edged Data Centers opens new data center in Kansas City, investing more than \\$143 million | Department of Economic Development](#)

1 process. In contrast, as Staff witness Jim Busch noted during Evergy's hearings, Staff's proposal
2 was developed without any customer input.¹⁷

3 Now, just as Evergy and Ameren Missouri are on the cusp of helping Missouri attract
4 significant economic development opportunities, OPC is calling for a delay to host a lengthy
5 workshop to do what Evergy and Ameren Missouri have already completed and that is the exact
6 purpose of the public process in which both tariffs are being considered right now. A timely
7 decision in this case is essential to providing the state of Missouri with its best chance of gaining
8 the benefits of the tremendous economic development opportunity that is seeking to locate here
9 now.

10 **Q. Dr. Marke has recommended that the Commission require including a**
11 **community benefits program¹⁸ as part of the large load tariff. Do you agree?**

12 A. Not as mandated by the Commission in an electric service tariff, no. This is a local
13 matter that should be left to local leaders who best know their own communities, not imposed
14 based on what the OPC thinks is best for them. In my experience, as a local community negotiates
15 the terms for an economic development project in its area, there are ample opportunities for local
16 leadership to outline the most important priorities to its citizens. As has been seen in many recent
17 hyperscale data center announcements, often this includes investment by the data centers in local
18 training programs or other priorities determined by that community.¹⁹ I certainly support Missouri
19 communities in their goal to obtain the best possible deal for themselves as they attract economic

¹⁷ Staff witness James Busch confirmed that this was the case under cross-examination in the Evergy evidentiary hearings. Mr. Busch confirmed that Staff had put forth its proposal without going to customers or utilities to seek input on what Staff was going to propose, and without seeking input from DED or any consultants with experience in economic development, or in data center or large load customer development or operation. Evergy Hearing Transcript, File No. EO-2025-0154, Tr. (Vol. 2) p. 215, ll. 13-22; p. 262, l. 19 to p. 263, l. 15,.File No. EO-2025-0154, Tr. (Vol. 2) p. 213, ll. 5-19.

¹⁸ File No. ET-2025-0184, Geoff Marke Rebuttal Testimony, p. 32, l. 12 through p. 33, l. 4.

¹⁹ [Meta Data Center Opens; Represents \\$1B Investment in Missouri - Missouri Partnership](#); [Google Announces \\$1 Billion Data Center In Kansas City, Missouri - Missouri Partnership](#)

1 development, and if the economic development is not a good fit for that particular location, so be
2 it.

3 A community benefits program as outlined by OPC – which includes only matters of
4 interest to itself and not the broad range of topics that may be relevant to a community like roads,
5 parks and recreation, workforce training, schools, housing, public safety, or numerous other
6 potential issues – substitutes its own judgement for a local mayor's knowledge of his or her own
7 community. Thus, not only does OPC's proposed community benefits program miss the mark, it
8 also represents another example of a red-herring issue injected into this case. A community
9 benefits program imposed in this case, no matter how well intentioned, does nothing to address
10 how electric rates and service terms are established to be just and reasonable, which is the extent
11 of the Commission's jurisdiction in this case.

12 **Q. Dr. Marke said OPC's tariff recommendations are competitive because they**
13 **were taken from other states that have already attracted economic development.²⁰ Does that**
14 **approach work?**

15 A. Not necessarily. While it's true that OPC cited examples of certain provisions in
16 some other states that have already passed large load customer rate plans and have attracted data
17 centers, OPC is missing the forest for the trees. By cherry picking some of the most onerous
18 provisions from each state and trying to assemble them into a new tariff for Missouri, all OPC has
19 done is to create a "Frankenstein" tariff here that will not attract new economic development.

20 As shown in Ajay Arora's Surrebuttal Testimony and Steve Wills' Surrebuttal Testimony,
21 Ameren Missouri has developed a tariff whose component parts are designed to work together to
22 accomplish the dual objectives in this case: attracting economic development and reasonably

²⁰ File No. ET-205-0184, Geoff Marke Rebuttal Testimony, p. 27, ll. 12-15, p. 28, ll. 7-9; p. 33, ll. 11-14.

1 ensuring all rates including other customer rates are fair. Some provisions in Ameren Missouri's
2 proposal may be more onerous from a large load customer perspective than other states (e.g.,
3 financial security), and some less so (e.g., minimum demand charges), but it is the totality of the
4 framework that matters. Mr. Arora addresses some of the differences between tariffs like those
5 pointed to by OPC and Missouri, specifically, Ameren Missouri.

6 What has been shown across the country to strike the right balance between
7 competitiveness and consumer protection are combinations of these basic core terms: term length,
8 minimum demand percentages, termination and reduction fees, and up-front collateral and
9 financial security. Ameren Missouri's proposal, based on its IRP and demonstrated through the
10 risk analysis presented in this case, shows the right mix of these terms based on the unique
11 conditions presented in Ameren Missouri's service territory and in the MISO market. Thus, the
12 main service terms are consistent with other jurisdictions, yet they are calibrated appropriately to
13 the situation locally.

14 **Q. Dr. Marke recommended various reports and studies should be required as**
15 **part of the large load customer tariff. Do you agree?**

16 A. No. These are certainly important topics generally, but none of them are necessary
17 to determine if Ameren Missouri's proposal establishes just and reasonable rates for existing and
18 the new large customers. I will address each of the various reports suggested by Dr. Marke below.

19 Water Usage Effectiveness ("WUE"): The topic of water usage by data centers has been an
20 important one both for the communities in which they seek to locate and for the data centers
21 themselves. While it is vitally important, there are other federal, state, and local agencies and
22 environmental regulators who have jurisdiction. In my experience, water and wastewater
23 considerations are determined through the development process, when the proposed data center

1 and the community discuss the local water infrastructure needs. Depending on the jurisdiction, it
2 may include a local public water service district, a municipal system, an investor-owned water
3 utility, or other entities. These entities must work through all the federal, state, and local
4 governmental water regulations as may be applicable. Additionally, it should be noted that there is
5 not one standard design for data center water usage. Some utilize a tremendous amount of water,
6 and some utilize "closed loop" systems that greatly reduce the amount of water needed. In short,
7 a blanket WUE requirement proposed by OPC is a one-size does not fit all approach. Again, no
8 matter how important water issues are – and they are important – they have nothing to do with
9 determining just and reasonable electric rates.

10 Power Usage Effectiveness ("PUE"): Similar to WUE, this is an important topic for data
11 center operators, but it is not relevant to the Commission's task in considering this case either. It
12 is reasonable to assume that data center operators have an incentive to maximize their efficient use
13 of energy, as it is one of the largest – if not the largest – input costs into their operations. As Dr.
14 Marke suggests, this will have implications for the infrastructure needed to serve large load
15 customers. However well-intentioned, Dr. Marke misses the point. It is the tariff and contract
16 terms – not a PUE score – that ensure the data centers are paying their fair share of the costs to
17 build and utilize this infrastructure. Should data centers become incredibly efficient in their energy
18 usage, they will still be obligated to the Electric Service Agreement contract terms that pay for that
19 power, and as noted above, Ameren Missouri will adjust its future IRPs to account for this change
20 in demand.

21 Total Harmonic Distortion ("THD"): When a prospective Ameren Missouri large load
22 customer seeks to connect to its system, the first step in the process is to conduct a rigorous
23 engineering study of doing so. The costs of conducting these studies are entirely borne by the

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1 prospective large load customers. These customers must comply with numerous interconnection
2 engineering and operating standards including the End User Connection requirements, as listed in
3 the 11M tariff. After Ameren's internal engineering reviews, the prospective customer's load
4 request must also be reviewed and approved by MISO through its Transmission Expansion Plan
5 process. In short, connecting large load customers to the grid is not undertaken in a willy-nilly
6 manner, and the energy industry takes this very seriously because its first objective is to provide
7 adequate and reliable power to all customers. That is why there is a rigorous and ongoing
8 discussion related to grid interconnection implications that is happening across the sector. Ameren
9 Missouri will stay engaged in these discussions and work with colleagues, regulators, and
10 stakeholders at the state and federal levels. Should various standards need to be modified over
11 time, Ameren Missouri will continue to update and adapt its interconnection and engineering
12 policies, just as it has always done. Again, Dr. Marke is well-intentioned in bringing these topics
13 forward, and I do not question whether it is an important one. However, there are efforts underway
14 in this area, and it also is not germane to the question of establishing rate and contract terms.

15 Finally, while OPC has introduced the need for these various reports and studies, they have
16 not provided any detail as to how these "scores" would be used in practical terms. It is simply not
17 clear what any entity would do with the information derived from these studies, nor with the pre-
18 and post-construction reporting recommended by OPC. Ameren Missouri already has an obligation
19 to provide adequate and reliable service to its customers, and the Company regularly works with
20 customers to ensure that the electric grid is operating properly based on established standards and
21 guidelines. That continues with or without large load customers. Evergy's Kevin Gunn put it well:

22 In order to utilize these scores, the Company and the Customers
23 would need to know what score would be deemed acceptable and
24 then understand the expected result if the score is not met. Would
25 we deny service to customers based on these metrics? Also, the

1 PUE/WUE scores are data center focused metrics, and I don't see
2 that it would be relevant for advanced manufacturing or other non-
3 data center application.²¹

4 **Q. Recently, the U.S. Department of Energy directed FERC to initiate rulemaking**
5 **regarding large load interconnections. Should this matter be included in discussions in this**
6 **case?**

7 A. No. As noted above, there is a robust conversation happening across the energy
8 industry and in policy circles as it relates to serving large load customers. The recent action by
9 the U.S. Department of Energy is an example of this ongoing policy development. Additionally,
10 it is another example of the multitude of issues, similar to those that have been raised by OPC in
11 this case, which may be important in their own right, yet still exceed the scope of the central
12 question before the Commission in this proceeding.

13 Whatever FERC's final order may be in this proposed rulemaking, Ameren Missouri will
14 certainly comply with any and all applicable outcomes, as we do with other federal and state
15 statutory and regulatory requirements. This issue, like the other similar policy and industry
16 discussions regarding large load customer service, should neither distract the parties in this case
17 from remaining focused on determining whether Ameren Missouri's proposal reasonably ensures
18 large load customers pay their fair share nor delay a speedy resolution so that Missouri can
19 attract the economic development it desires.

20 **Q. Dr. Marke recommends that mandatory emergency curtailments be included**
21 **as part of the large load customer tariff.²² Do you agree?**

²¹ File No. EO-2025-0154, Kevin Gunn Surrebuttal Testimony, p. 21, ll. 15 – 19.

²² File No. ET-2025-0184, Geoff Marke Rebuttal Testimony, p. 33, l. 5 to p. 34, l. 7.

1 A. Mandatory emergency curtailments are already an established part of Ameren
2 Missouri's tariff, so there is no need to further include these provisions in this case. Tariff sheet
3 Numbers 146 - 148, which reflect Ameren Missouri's Emergency Energy Conservation Plan, was
4 last updated in 2022, and similar preceding versions have been a part of the Company's tariffs for
5 years.²³ These extensive plans include detailed coordination with MISO and NERC, among other
6 entities, and include an escalation of various steps to notify customers, coordinate with relevant
7 authorities, and establish a process to conduct load shedding measures, should they be necessary
8 due to an emergency. These curtailment measures already exist, and they are applicable to *any*
9 customer on the electric system, *including the new large customers*. Like many of OPC's
10 recommendations in this case, this item is already addressed elsewhere in the Commission's
11 ongoing authority to regulate this industry, and it is not further useful to the Commission's analysis
12 in determining whether the proposed large load tariff establishes just and reasonable rates.

13 **V. LACK OF COMPETITIVENESS OF STAFF'S PROPOSAL**

14 **Q. Staff proposes an entirely different tariff than Ameren Missouri. As you**
15 **understand it, would Staff's proposal be attractive to data centers and other potential**
16 **customers of a qualifying size, such as manufacturers?**

17 A. No. The costs, complexity, and onerous terms are not competitive enough to attract
18 manufacturers, let alone data centers. As a result, if Missouri were to adopt Staff's overall proposal
19 in general, and more specifically, the provisions that Mr. Wills discusses in his Surrebuttal
20 Testimony, our state would be among the last to be considered by these potential customers. First,
21 as outlined in Ameren Missouri witness Steve Wills' Surrebuttal Testimony, the all-in rate in Staff's

²³ [*Rate Based on Monthly Meter Readings](#)

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proposal is over 10.6 cents/kWh,²⁴ or alternatively is partially based on the market price of energy and exposes the customer to all of the uncertainty and volatility that goes along with it. According to the most recent Missouri and Illinois Rate Realization study, illustrated below in Table 1, which compares Edison Electric Institute member utilities' rates, the current U.S. average industrial rate is 8.2 cents/kWh.²⁵ The current Midwest average industrial rate is 8.08 cents/kWh. Ameren Missouri's average industrial rate is 7.2 cents/kWh,²⁶ and the most recently approved Ameren Missouri 11M LPS rate is approximately 6.0 cents/kWh on average.²⁷ Staff's proposal would put Ameren Missouri's customer pricing at 29% higher than the rest of the country and 31% higher than the rest of the Midwest. Right out of the gate, Staff's proposal eliminates one of best competitive advantages we have in Missouri to attract manufacturing and other industrial customers.

Table 1: Rate Realizations for the 12 Month Period Ending 12/31/2024

	Rate (Cents/kWh)	Vs. U.S	Vs. Midwest
Staff Proposal	10.6	+ 29%	+31%
U.S Average Industrial	8.20	-	+1.5%
Midwest Average Industrial	8.08	- 1.5%	-
Ameren Missouri Average Industrial	7.20	-12%	-11%
Ameren Missouri 11M LPS	6.00	- 27%	- 26%

Further, Staff's proposal offers customers the option to switch to a market price approach if they don't want to pay Staff's uncompetitive rate of 10.6 cents/kWh. While it could be that some industrial customers would be comfortable with a market-based price, as Mr. Wills discusses in his

²⁴ For a customer with an 85% load factor.

²⁵ MISSOURI AND ILLINOIS RATE REALIZATIONS SOURCE: 2025 WINTER EEI TYPICAL BILLS AND AVERAGE RATES REPORT (Cents per kWh Realizations for the 12 Month Period Ending 12/31/2024)

²⁶ Note that this study blends different types of commercial and industrial rates in its analysis. So, for example, the average industrial rate includes 11M, 4M and others.

²⁷ For a customer served at transmission voltage with an 85% load factor.

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1 Surrebuttal Testimony, that has not been the experience of our sister utility in Illinois. This is
2 probably because the approach proposed by Staff offers a difficult dilemma for most industrial
3 customers who seek greater certainty. That is, with Staff's "alternative option," potential customers
4 are forced to choose between a price that is far higher than U.S. or Midwest averages or to roll the
5 dice and live with uncertainties around market pricing for the next 15-17 years. Those uncertainties
6 create risk, and this risk exposure is exacerbated by Staff's proposal to make this tariff applicable
7 to any customer, including already existing customers, above 25 MW. In economic development,
8 site selection's entire premise is to eliminate risk, and Staff's proposal introduces more risk, making
9 Missouri less competitive.

10 Finally, one additional contract term in Staff's proposal is so onerous that I struggle to
11 imagine any scenario in which a customer would agree to take service under it: termination. In
12 Staff's proposal, a customer whose demand dipped below 50% of its contractual maximum demand
13 for three months would be subject to paying potentially billions of dollars in termination fees based
14 on the remaining term of their contract. Ostensibly then, Missouri would tell a customer who has
15 made billions of dollars of investment that it was all for naught. Who would take that chance? It
16 would be a much safer choice to just locate in a different state. This provision introduces an
17 incredible amount of risk to prospective customers without any real analysis that supports the need
18 for it, as Ameren Missouri witness Wills has discussed. Based on this term alone, it is difficult to
19 understand how Staff could believe their proposal is "pro-manufacturing" rather than an intentional
20 design to dissuade any and all large load customers from locating in Missouri

21 **Q. Does this conclude your surrebuttal testimony?**

22 **A. Yes.**

Sworn to me this 3rd day of November, 2025.