Exhibit No. 108

Staff – Exhibit 108
Staff's Report Errata Sheet
Case No. ET-2025-0184

108

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	))))	File No. ET-2025-0184

STAFF'S ERRATA SHEET

1. Staff has recently been made aware of a unit error in certain sections of Staff's Recommendation / Rebuttal Report that causes changes to pages 5, 6, 17-23, and 27 (the "Page Updates").

2. In order to show the changes due to the inadvertent unit error, Staff submits both redline and clean versions of the Page Updates, attached to this Errata Sheet.

Respectfully Submitted,

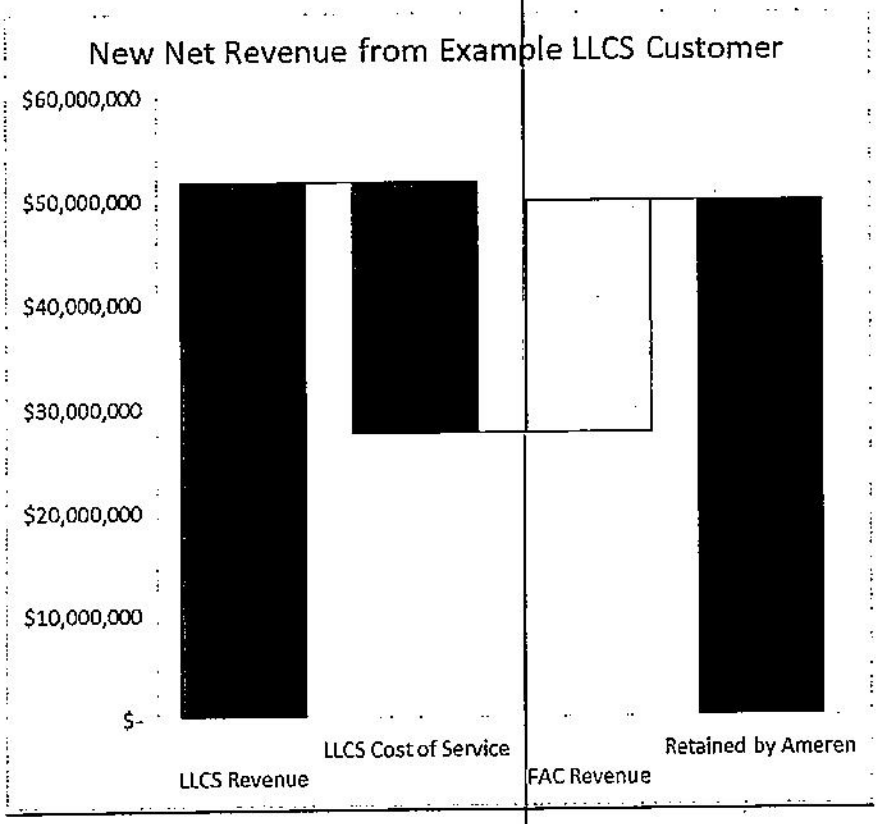
/s/ Alexandra Klaus
Alexandra Klaus
Missouri Bar No. 67196
Travis J. Pringle
Missouri Bar No. 71128
Tracy Johnson
Missouri Bar No. 65991
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102-0360
(573) 751-9533
lexi.klaus@psc.mo.gov
travis.pringle@psc.mo.gov
tracy.johnson@psc.mo.gov
Attorneys for the Staff of the
Missouri Public Service Commission

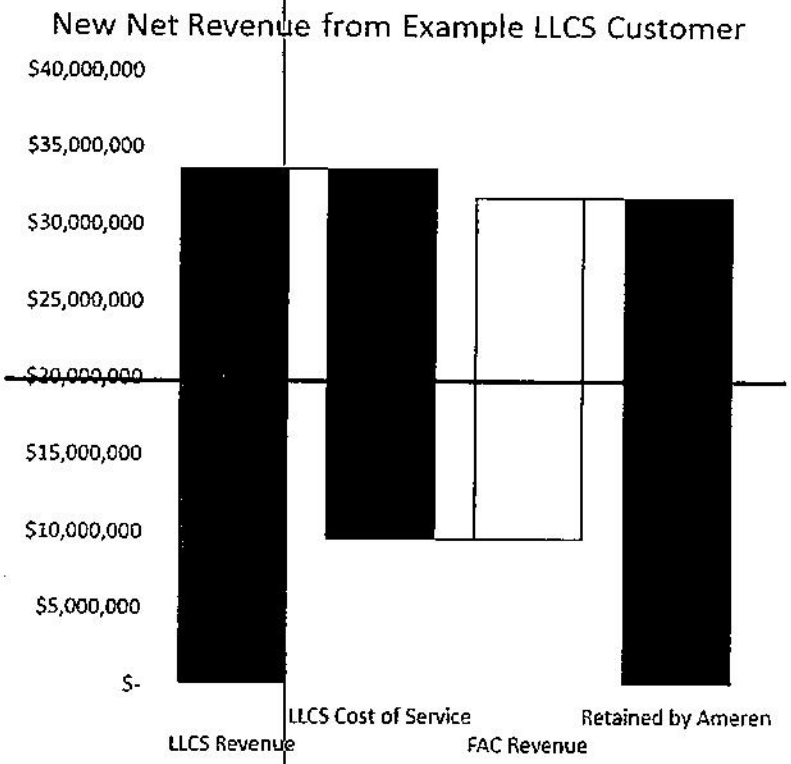
CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were mailed, electronically mailed, or hand-delivered to all counsel of record on this 20th day of November, 2025.

/s/ Alexandra Klaus

Meanwhile, annually, for every 100 MW of stable new load, Ameren Missouri will receive around ~~$33~~51.6.5 million in new revenue from that customer through the basic LPS rates. Assuming that the annual expense for wholesale energy, increased RTO expenses, and market capacity position changes to serve the new customer's load is around $27.50 per MWh, the annual increase to Ameren Missouri's expenses to serve the new customer will be approximately $24 million. All customers, including the new customer, will provide around $22.9 million in new FAC revenue.





All told, without further Commission orders on the treatment of revenue and expenses associated with LLCS customers, Ameren Missouri shareholders will benefit from around ~~$31.6~~49.7 million of new net revenue from the example 100 MW new LLCS customer, every year, until that customer and revenue level is recognized in a rate case.

Before addressing the reasonableness of the rates and other terms requested by Ameren Missouri in this case, Staff must conclude that this approach, which for each 100 MW of stable LLCS load, simultaneously (1) shifts $22 million in additional FAC charges every year for up to four years to existing ratepayers, and (2) provides Ameren Missouri with ~~$31.6~~49.7 in new net revenues every year for up to four years, is not compliant with the directive of SB 4 to "prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers."[10]

Staff does not take a position on the propriety of serving any given potential customer of a regulated utility in this case. However, Staff must note that resources such as land are finite, and that resources such as electric capacity are temporally finite. Staff also must note that generation

[10] Section 393.130.7, RSMo., effective August 28, 2025, enacted pursuant to SB 4.

Consider the following illustration:

A. Ameren Missouri is currently authorized to collect about $3.23 billion from its retail ratepayers, and it sells around 27.4 billion kWh of energy each year. This works out to an average of $0.118/kWh.

B. Assume Ameren Missouri builds a new 500 MW power plant.[29] Ameren Missouri anticipates that a new 500 MW LLCS customer will begin taking service. A rate case occurs and the power plant is incorporated into revenue requirement, but the new customer is not yet taking service. The net revenue requirement of the power plant is $100 million for the first year. The new net cost of service is $3.33 billion. The rate increase will result in an average cost to a retail customer for a kWh of energy of $0.122/kWh.

C. The day after the Commission Order approving the rate increase is issued, the LLCS customer begins taking service, 500 MW with an 85% Load Factor. The LLCS customer pays $240,002,539 ~~146,979,371~~ for each of the next four years, and also pays into the FAC.[30] Non-LLCS ratepayers continue to pay $3.33 billion for each of the next four years, and also pay into the FAC.

D. For each of the next four years, Ameren Missouri receives revenues of $3.57~~3.477~~ billion in non-FAC revenue from its retail ratepayers (including the LLCS customer) and the FAC continues to operate.

E. Over the next 35 years, fuel expenses, market energy and capacity expenses, escalate by 2% per year to account for inflation. Rate increases occur every 4 years with a 6.12% increase in each case. No other changes in energy sold or cost of service occur.[31] The LLCS rates are increased by the system-average amount in every rate case, and it closes its doors after 16 years.

The $100 million discussed in Step "B" is a cost reflected in the rates of other customers arising from Ameren Missouri's strategy to provide service to LLCS customers. Ratepayers will pay rates that are $100 million higher than they would have been to enable capacity for Ameren Missouri to acquire an LLCS customer.[32] That $100 million will include an annual value for ROE of about $32.6 million. Over the life of the plant, assuming perfect ratemaking, shareholders would

[29] For purposes of this illustration, the new power plant has a 35-year life, it had an original ratebase value of $750 million, and it generates at a 50% capacity factor consistently over its life, with an initial fuel cost of $20.00 per MWh, and revenue of $27.50/MWh, which includes value for market capacity. The plant in this example has capital costs on the low end of expectation for a CT, but generates energy at a capacity factor that is more typical of a combined cycle. In other words, the power plant used in this example is a better deal for ratepayers than should be expected to actually occur.

[30] This is the average bill calculated pursuant to Ameren Missouri's requested tariff, increased by the system-average increase associated with the new power plant.

[31] This illustration is designed to identify positive regulatory lag associated with a new power plant and with a new LLCS customer, and any other changes in cost of service which would otherwise occur are irrelevant.

[32] Staff understands that Ameren Missouri and LLCS customers will argue that the new plant is not a cost of serving the LLCS customer, but rather it is a cost of robust system planning and no one plant is built for any one customer. There can be zero doubt that Ameren Missouri will need to build more or bigger power plants to serve LLCS load, and such arguments about any specific power plant are irrelevant to understanding this illustration.

receive $487.7 million as ROE, and ratepayers would provide $122 million in income tax expense related to that ROE – a lifetime total of $609.6 million of total cost of service of $1.434 billion, about 42.5%.[33]

However, with a 4-year rate case interval, Ameren Missouri will receive the benefit of positive regulatory lag. In the context of a power plant addition, regulatory lag means that ratepayers will be paying more in the second, third, and fourth year after a rate case than they should, but that ratepayers will be receiving 95% of the increased net margin on operating the plant through the FAC.[34] The interaction of regulatory lag and the FAC means that, over the 35-year life of the plant, ratepayers will pay $33 million more than they would under perfect ratemaking, and the utility will receive $71.5 million more than they would have under perfect ratemaking.[35]

	Total Cost to Ratepayers	Revenue Available for ROE & Taxes
Perfect Ratemaking	$ 2,564,049,937	$ 609,609,375
Base Rate Regulatory Lag	$ 69,674,773	$ 69,674,773
FAC	$ (36,187,742)	$ 1,904,618
Combined Lag & FAC	$ 2,597,536,969	$ 681,188,766
Net Regulatory Lag	$ 33,487,031 (Additional Cost)	$ 71,579,391 (Additional Benefit)

Ultimately, due to regulatory lag, the power plant will cause ratepayers in total to pay $2.6 billion over the life of the plant, and the power plant is built to enable service of LLCS customers.

The illustration analysis now shifts to whether those rates paid by an LLCS customer will be sufficient to "prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers."[36]

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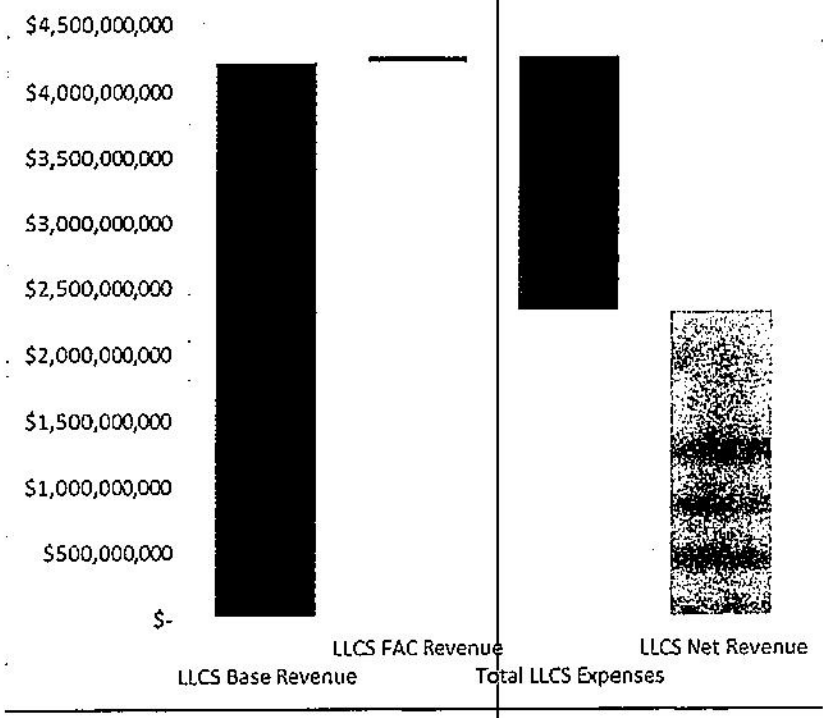
[33] For year-by-year information concerning these illustrations, see Appendix 2, Schedule 2. When perfect ratemaking is assumed, annual rate cases would essentially negate the FAC for purposes of an annual analysis. Staff acknowledges that if Ameren Missouri is able to utilize accelerated depreciation for tax purposes the lifetime cost of service for the plant may be lower through the operation of ADIT to reduce the net rate base subject to capital cost recovery through regulated rates in certain years. However, as this plant is entirely hypothetical, the complexity of detailed income tax accounting is not reflected.

[34] If the power plant were a renewable plant subject to RESRAM treatment, this result would vary.

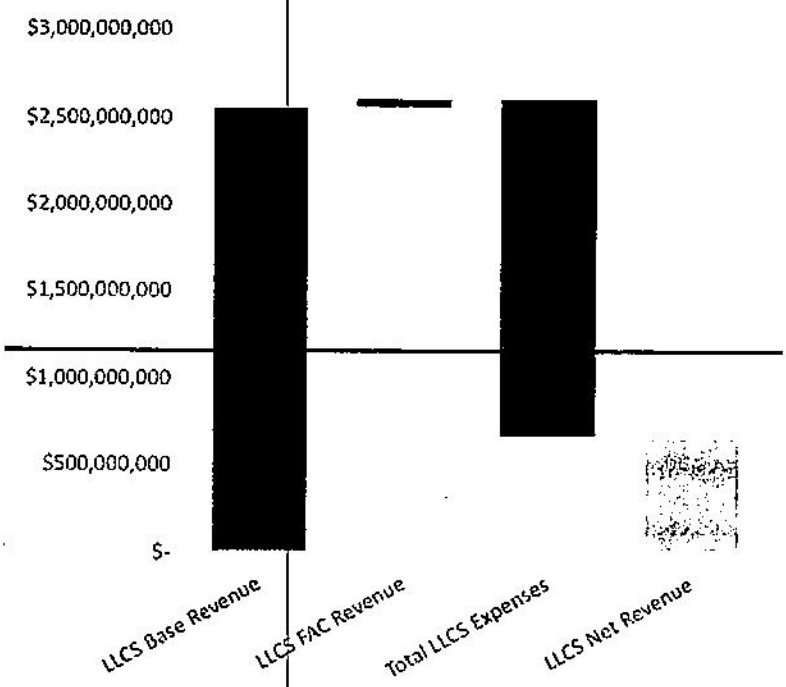
[35] The FAC operation in this case reduces the cost to ratepayers, and increases the total revenue to the utility. Staff understands that other costs and expenses may be increasing between rate cases, however, that is not relevant to the required statutory analysis.

[36] Section 393.130.7, RSMo., effective August 28, 2025, enacted pursuant to SB 4.

Moving to Steps "C," through "E.," the LLCS customer in this illustration ultimately takes service for 16 years, during which it provides $~~2.6~~4.26 billion in total revenue, including the FAC. During this time the costs of energy and capacity for the customer are $1.9 billion, meaning the customer provided ~~$657 million~~2.3 billion in revenue net of direct cost of service over the total term.[37]



[37] For purposes of this illustration only.



However, even with all of that revenue net of expense coming from the LLCS customer, and even with the power plant being perfectly sized for the LLCS customer (e.g., ignoring reserve margins), other ratepayers still pay ~~$2.48~~1.22 billion more over the next 35 years than they would have paid if the new power plant had not been built and the LLCS customer had not been acquired.

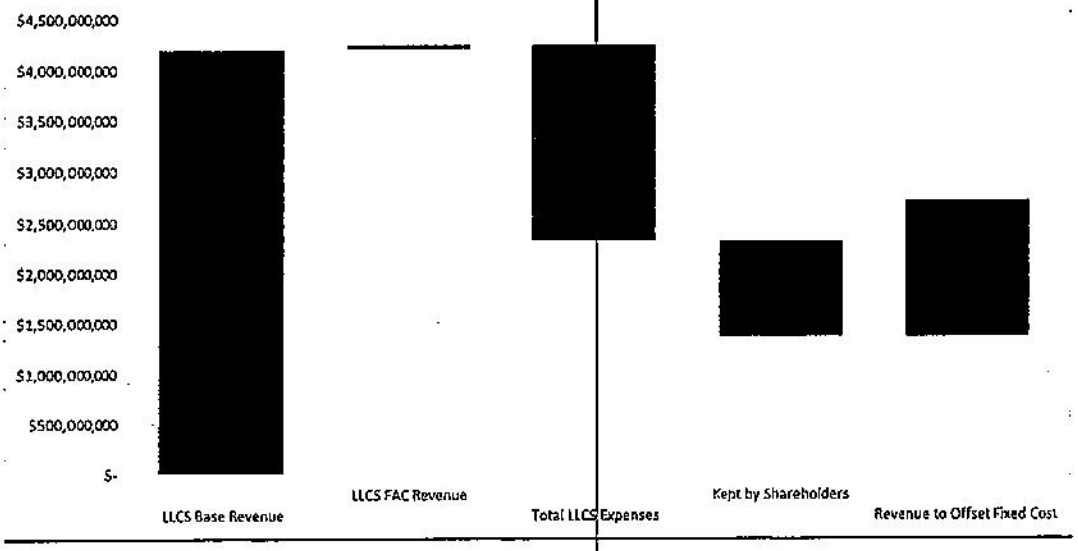
- Net Harm from Adding Plant (Perfect Ratemaking) $2,564,049,937
- Net Harm from Plant, with Regulatory Lag $2,597,536,969
- Net Harm from Plant & LLCS Customer (16 Year) ~~$2,481,406,393~~ $1.222.816.694

The explanation for why there is only a ~~$116~~ 1.37 ~~million~~ billion change in the net harm to non-LLCS customers when the LLCS customer is providing net revenues of ~~$2.6~~4.257 billion is because of regulatory lag flowing the LLCS revenues to shareholders, where it cannot offset the revenue requirement of the new plant and "prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers."[38]

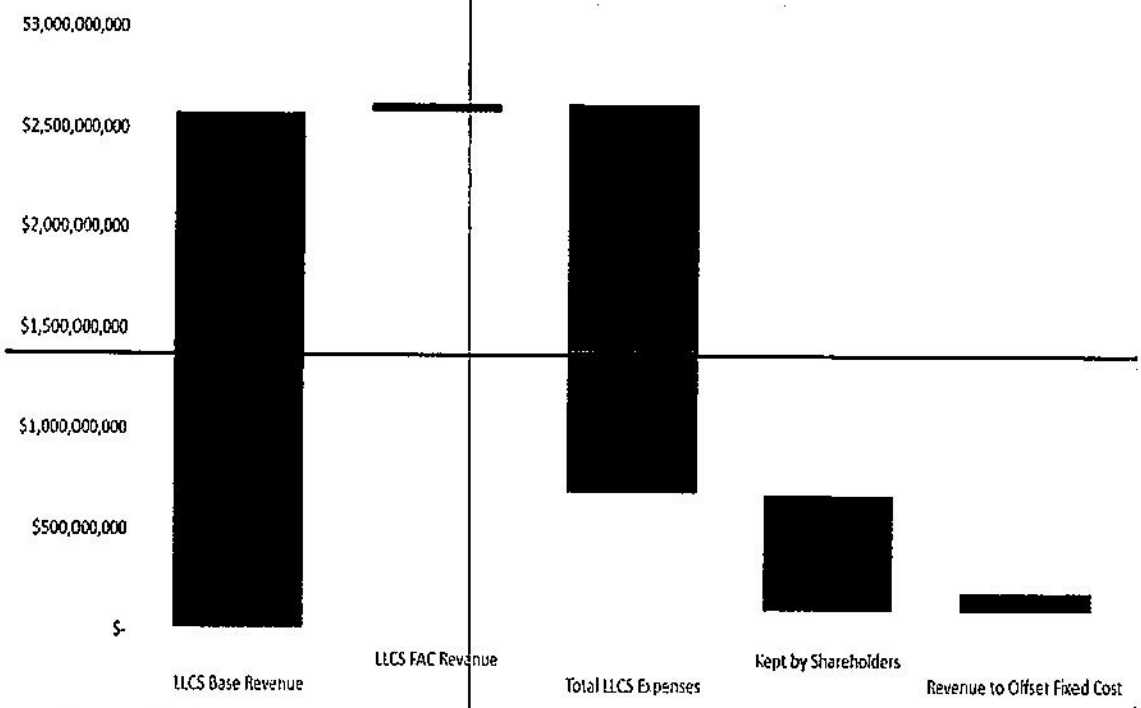
Whatever revenue LLCS customers provide, none of it will be recognized to offset Ameren Missouri's cost of service until those revenues are realized in a rate case to the benefit of other customers. Under this illustration, which assumes that Ameren Missouri will time its cases to

[38] Section 393.130.7, RSMo., effective August 28, 2025, enacted pursuant to SB 4.

maximize its beneficial regulatory lag, Ameren Missouri will obtain $~~582.7~~954.8 million in positive regulatory lag over 35 years, with **~~$573~~ 960 million of positive regulatory lag in the first four years in which the LLCS customer takes service.**[39] This means of the $~~2.6~~4.257 billion dollars in revenue paid by an LLCS customer, only $~~97~~ 1.356 ~~million~~ billion will actually offset the existing cost of service, including the new power plant built to serve the customer in this example.



[39] The scale of an LLCS customer and the associated LLCS revenue are such that Ameren Missouri will almost certainly base its general rate case timing exclusively on the consideration of accumulating as much unrecognized LLCS revenue as possible. It is the prerogative of utility management to time rate cases to maximize shareholder benefit. With ordinary customer growth, offsetting increases to revenue requirement would negate some of the positive benefits of regulatory lag to shareholders. However, LLCS customer growth will be offset by increases in revenue requirement to a much smaller extent than normal customer growth.



In conclusion – appropriate treatment to address positive regulatory lag is necessary to enable LLCS rates that do reflect LLCS customers' cost of service to prevent unjust and unreasonable rate increases to other customers, and to prevent the LLCS customer rates from simply benefiting Ameren Missouri shareholders, as required by statute.

Staff Witness: Sarah L.K. Lange

Staff Recommendation

There are three areas where Commission action is needed to "prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to [LLCS] customers" such as - deferrals to address regulatory lag, changes related to the FAC, and requirements related to LLCS customers.

Staff recommends that the Commission order:

1. To address regulatory lag, creation of a deferred regulatory liability account into which Ameren Missouri defers the level of LLCS revenues described in Staff's recommended tariff, Appendix 2, Schedule 1. The revenues to be deferred, would include the Generation Demand Charge revenue, and the Variable Fixed Revenue

Contribution and Stable Fixed Revenue Contribution charge revenues. This account would offset production ratebase, and be amortized over a 50-year period.[40]

2. To address the FAC and facilitate other recommendations:
   a. The Commission should order the creation of a deferred regulatory liability account into which Ameren Missouri defers the level of LLCS revenues each month that are equal to the values incurred for the LLCS customer that are subject to FAC treatment. These deferred amounts should be flowed back to customers through the FAC after a future rate case, using an amortization period of 4 years or less.
   b. The Commission should order Ameren Missouri to register a separate Commercial Pricing Node for each LLCS customer.
   c. The Commission should order Ameren Missouri to change its FAC tariff language as described below, in a general rate case.
3. As risk mitigation for captive ratepayers, the Commission should order the provisions related to interconnection, termination, collateral, minimum terms, minimum sizes, and economic discount applicability, other rider applicability, and the customer approval process as described below.

Staff Witness: Sarah L.K. Lange

Staff-Recommended Deferral Treatment

Using the illustration above, and relying on Ameren Missouri's recommended LLCS rates for consistency with that illustration, implementation of Staff's recommended deferral treatment will substantially reduce the harm to captive ratepayers.[41] To facilitate illustration of the interaction of one power plant and one LLCS customer with other captive ratepayers, Staff has estimated impacts of its recommended deferrals to coincide with the retirement of the underlying power plant. Staff's actual recommended deferral treatment would be longer-lived, and would offset the harm to captive ratepayers over various supply-side additions over time. With those caveats, a comparison of the net harm to captive ratepayers under the indicated scenarios is set out below:

- Net Harm from Adding Plant (Perfect Ratemaking) $2,564,049,937
- Net Harm from Plant, with Regulatory Lag $2,597,536,969
- Net Harm from Plant & LLCS Customer (16 Year) $1,222,816,694~~2,481,406,393~~
- Net Harm with Deferrals & Perfect Ratemaking $(765,810,162)~~1,434,478,313~~
- Net Harm with Deferrals & Regulatory Lag $(716,334,001)~~1,473,276,406~~

[40] Periodically, these deferrals should be bundled and a new amortization period set to lessen administrative complexities. For example, at the conclusion of a general rate case, existing deferrals could be bundled and the new amortization period set based on the weighted average years remaining.

[41] While there will be harm to ratepayers caused by capacity plant additions to serve new LLCS customers, over time, if rates for LLCS customers are set properly, this harm should be mitigated if the rates for LLCS customers are set sufficiently.

Using a plug value of $27.50 per MWh for all expenses the customer causes that are included in the FAC, Staff has reviewed the approximate annual impact of the energy to serve that customer on the FAC. Annually, Ameren Missouri will receive ~~$126,262,026~~216,491,706 in revenue in excess of cost of service, through the operation of the FAC:[50]

LLCS Revenue under LPS Rates	$	142,565,576
LLCS Cost of Service	$	(102,382,500)
FAC Revenue	$	86,078,950
Retained by Ameren	$	126,262,026

LLCS Revenue under LPS Rates	$	232,795,256
LLCS Cost of Service	$	(102,382,500)
FAC Revenue	$	86,078,950
Retained by Ameren	$	216,491,706

Depending on the actual size of the LLCS customer and the wholesale cost of energy in the future, Ameren Missouri will recover substantial portions of the LLCS customer's cost of energy through the FAC, and fully recover that cost of energy through LLCS rates.

Staff Witness: Sarah L.K. Lange

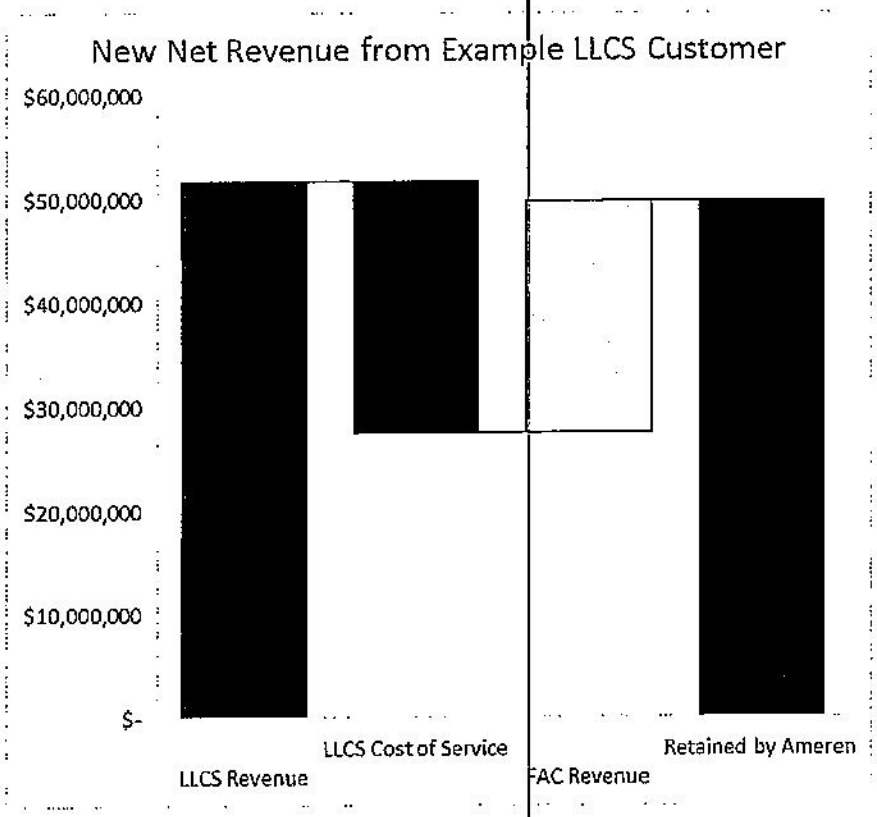
Staff acknowledges a reverse effect as well if a large load customer leaves the system and reduces Ameren's load after that customer has been recognized in base rates and the FAC base factor. Ameren would then no longer incur the wholesale energy and transmission expense associated with service to that customer.

As discussed in Section "Nodal Pricing and Recommendation for Separate Nodes for LLCS Customers," Staff recommends Ameren have a separate commercial pricing (CP) node for the large load customers, create a separate subaccount for the CP node to isolate these costs, and remove the costs/revenues from the FAC.

If the Commission does not approve Staff's recommendation to have a separate CP node to isolate and remove these costs/revenues from the FAC, Staff recommends the alternative of making an adjustment similar to the "N Factor" that was utilized in the Ameren Missouri FAC

[50] This is on an annual basis, for illustration.

Meanwhile, annually, for every 100 MW of stable new load, Ameren Missouri will receive around $51.6.5 million in new revenue from that customer through the basic LPS rates. Assuming that the annual expense for wholesale energy, increased RTO expenses, and market capacity position changes to serve the new customer's load is around $27.50 per MWh, the annual increase to Ameren Missouri's expenses to serve the new customer will be approximately $24 million. All customers, including the new customer, will provide around $22.9 million in new FAC revenue.



All told, without further Commission orders on the treatment of revenue and expenses associated with LLCS customers, Ameren Missouri shareholders will benefit from around $49.7 million of new net revenue from the example 100 MW new LLCS customer, every year, until that customer and revenue level is recognized in a rate case.

Before addressing the reasonableness of the rates and other terms requested by Ameren Missouri in this case, Staff must conclude that this approach, which for each 100 MW of stable LLCS load, simultaneously (1) shifts $22 million in additional FAC charges every year for up to

four years to existing ratepayers, and (2) provides Ameren Missouri with $49.7 in new net revenues every year for up to four years, is not compliant with the directive of SB 4 to "prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers."[10]

Staff does not take a position on the propriety of serving any given potential customer of a regulated utility in this case. However, Staff must note that resources such as land are finite, and that resources such as electric capacity are temporally finite. Staff also must note that generation capacity is expensive, cannot be instantaneously built, is subject to extensive federal and environmental regulation, increases cost of service for decades, and causes its own risks to captive ratepayers. Given the scale of the capacity that will be consumed by a given LLCS customer, some entity other than Ameren Missouri must have reasonable input in the allocation of massive amounts of capacity among potential LLCS customers and between LLCS customers and captive ratepayers. State-level entities such as the Department of Natural Resources, the Department of Natural Resources Division of Energy, the Department of Economic Development, and the Governor's office operate in this space, but Ameren Missouri has the ultimate decision of which customers it will allow onto its system and what capacity it constructs for current and potential customers. Even under the tariff that Ameren Missouri has proposed, it is Ameren Missouri alone to determine which potential LLCS customers will enter an Electric Service Agreement (ESA). Ameren Missouri has requested that the Commission approve the ESA for each LLCS customer. However, there is no opportunity for the Commission to receive evidence on which customers Ameren Missouri did not allow to make it before the Commission, or for how Ameren Missouri has chosen to allocate available capacity among customers.

While it is also necessary to "reasonably ensure [LLCS] customers' rates will reflect the customers' representative share of the costs incurred to serve the customers,"[11] Staff suggests that the first step is to enact regulatory protections to mitigate the risk that aggressive customer additions will result in unjust and unreasonable costs being passed on to current captive customers. The next step is to design rates that reasonably align the LLCS customer cost causation with the charges to be billed to LLCS customers. The final step is to be thoughtful about rider design, the interaction of optional services and base rates, and system planning.

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Consider the following illustration:

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D. For each of the next four years, Ameren Missouri receives revenues of $3.57 billion in non-FAC revenue from its retail ratepayers (including the LLCS customer) and the FAC continues to operate.

E. Over the next 35 years, fuel expenses, market energy and capacity expenses, escalate by 2% per year to account for inflation. Rate increases occur every 4 years with a 6.12% increase in each case. No other changes in energy sold or cost of service occur.[31] The LLCS rates are increased by the system-average amount in every rate case, and it closes its doors after 16 years.

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Net Regulatory Lag	$ 33,487,031 (Additional Cost)	$ 71,579,391 (Additional Benefit)

Ultimately, due to regulatory lag, the power plant will cause ratepayers in total to pay $2.6 billion over the life of the plant, and the power plant is built to enable service of LLCS customers.

The illustration analysis now shifts to whether those rates paid by an LLCS customer will be sufficient to "prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers."[36]

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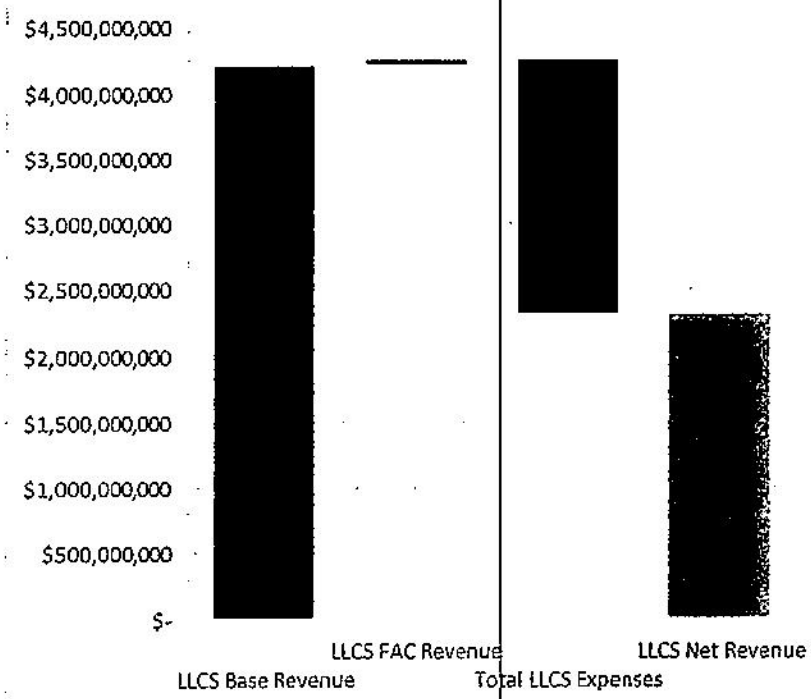
Moving to Steps "C," through "E.," the LLCS customer in this illustration ultimately takes service for 16 years, during which it provides $4.26 billion in total revenue, including the FAC. During this time the costs of energy and capacity for the customer are $1.9 billion, meaning the customer provided $2.3 billion in revenue net of direct cost of service over the total term.[37]



However, even with all of that revenue net of expense coming from the LLCS customer, and even with the power plant being perfectly sized for the LLCS customer (e.g., ignoring reserve margins), other ratepayers still pay $1.22 billion more over the next 35 years than they would have paid if the new power plant had not been built and the LLCS customer had not been acquired.

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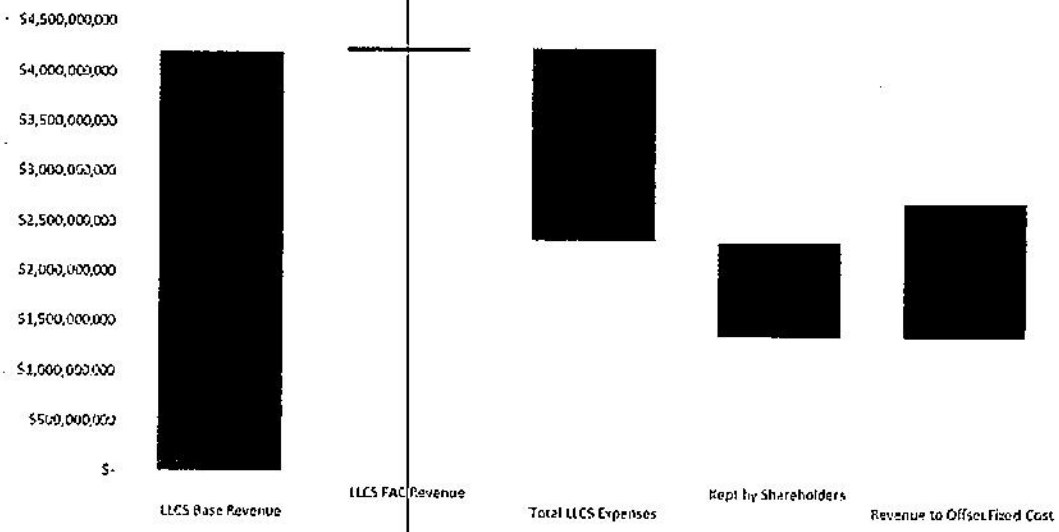
- Net Harm from Plant & LLCS Customer (16 Year) $1,222,816,694

The explanation for why there is only a $1.37 billion change in the net harm to non-LLCS customers when the LLCS customer is providing net revenues of $4.257 billion is because of regulatory lag flowing the LLCS revenues to shareholders, where it cannot offset the revenue

[37] For purposes of this illustration only.

requirement of the new plant and "prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers."[38]

Whatever revenue LLCS customers provide, none of it will be recognized to offset Ameren Missouri's cost of service until those revenues are realized in a rate case to the benefit of other customers. Under this illustration, which assumes that Ameren Missouri will time its cases to maximize its beneficial regulatory lag, Ameren Missouri will obtain $954.8 million in positive regulatory lag over 35 years, with **$960 million of positive regulatory lag in the first four years in which the LLCS customer takes service.**[39] This means of the $4.257 billion dollars in revenue paid by an LLCS customer, only $1.356 billion will actually offset the existing cost of service, including the new power plant built to serve the customer in this example.



In conclusion – appropriate treatment to address positive regulatory lag is necessary to enable LLCS rates that do reflect LLCS customers' cost of service to prevent unjust and unreasonable rate increases to other customers, and to prevent the LLCS customer rates from simply benefiting Ameren Missouri shareholders, as required by statute.

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[38] Section 393.130.7, RSMo., effective August 28, 2025, enacted pursuant to SB 4.

[39] The scale of an LLCS customer and the associated LLCS revenue are such that Ameren Missouri will almost certainly base its general rate case timing exclusively on the consideration of accumulating as much unrecognized LLCS revenue as possible. It is the prerogative of utility management to time rate cases to maximize shareholder benefit. With ordinary customer growth, offsetting increases to revenue requirement would negate some of the positive benefits of regulatory lag to shareholders. However, LLCS customer growth will be offset by increases in revenue requirement to a much smaller extent than normal customer growth.

Staff Recommendation

There are three areas where Commission action is needed to "prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to [LLCS] customers" such as - deferrals to address regulatory lag, changes related to the FAC, and requirements related to LLCS customers.

Staff recommends that the Commission order:

1. To address regulatory lag, creation of a deferred regulatory liability account into which Ameren Missouri defers the level of LLCS revenues described in Staff's recommended tariff, Appendix 2, Schedule 1. The revenues to be deferred, would include the Generation Demand Charge revenue, and the Variable Fixed Revenue Contribution and Stable Fixed Revenue Contribution charge revenues. This account would offset production ratebase, and be amortized over a 50-year period.[40]
2. To address the FAC and facilitate other recommendations:
    a. The Commission should order the creation of a deferred regulatory liability account into which Ameren Missouri defers the level of LLCS revenues each month that are equal to the values incurred for the LLCS customer that are subject to FAC treatment. These deferred amounts should be flowed back to customers through the FAC after a future rate case, using an amortization period of 4 years or less.
    b. The Commission should order Ameren Missouri to register a separate Commercial Pricing Node for each LLCS customer.
    c. The Commission should order Ameren Missouri to change its FAC tariff language as described below, in a general rate case.
3. As risk mitigation for captive ratepayers, the Commission should order the provisions related to interconnection, termination, collateral, minimum terms, minimum sizes, and economic discount applicability, other rider applicability, and the customer approval process as described below.

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Staff-Recommended Deferral Treatment

Using the illustration above, and relying on Ameren Missouri's recommended LLCS rates for consistency with that illustration, implementation of Staff's recommended deferral treatment will substantially reduce the harm to captive ratepayers.[41] To facilitate illustration of the interaction of

[40] Periodically, these deferrals should be bundled and a new amortization period set to lessen administrative complexities. For example, at the conclusion of a general rate case, existing deferrals could be bundled and the new amortization period set based on the weighted average years remaining.

[41] While there will be harm to ratepayers caused by capacity plant additions to serve new LLCS customers, over time, if rates for LLCS customers are set properly, this harm should be mitigated if the rates for LLCS customers are set sufficiently.

one power plant and one LLCS customer with other captive ratepayers, Staff has estimated impacts of its recommended deferrals to coincide with the retirement of the underlying power plant. Staff's actual recommended deferral treatment would be longer-lived, and would offset the harm to captive ratepayers over various supply-side additions over time. With those caveats, a comparison of the net harm to captive ratepayers under the indicated scenarios is set out below:

- Net Harm from Adding Plant (Perfect Ratemaking) $2,564,049,937
- Net Harm from Plant, with Regulatory Lag $2,597,536,969
- Net Harm from Plant & LLCS Customer (16 Year) $1,222,816,694
- Net Harm with Deferrals & Perfect Ratemaking $(765,810,162)
- Net Harm with Deferrals & Regulatory Lag $(716,334,001)

The specific deferrals recommended by Staff refer to revenue from charges within the Staff recommend tariff. Please see section "Revenue Treatment"

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Staff-Recommended FAC Treatment and Related Issues

Nodal Pricing and Recommendation for Separate Nodes for LLCS Customers

Every kWh of energy that Ameren Missouri sells to any retail customer must be purchased through the MISO integrated marketplace.[42] Every additional kWh of load results in an overall increase in purchased power expense net of revenues.[43] Every kWh of energy required by an LLCS customer will cause Ameren Missouri to purchase an additional kWh of energy in the interval in which it is needed, at the price of the Locational Marginal Price (LMP) at the interconnection node.[44] If a transmission constraint exists between the node at which energy is

[42] The relatively small amounts of generation from net metered solar and from utility sources such as the landfill gas plant or small solar sites does offset load requirements at the distribution level.

[43] For financial reporting purposes, FERC requires that utilities report the value of the net amount of energy transacted in a given interval, as opposed to the actual value of both the energy sold and the energy purchased. Therefore, in a given interval the expense of the energy for Ameren Missouri's load may be booked as a purchased power expense, or as a net negative energy revenue. Each day, generators owned by its market participants, including Ameren Missouri, are bid into the market, and MISO chooses which ones to dispatch to serve its system-wide load on a least-cost basis. System-wide generation is dispatched on a system-wide least cost basis, and any one utility's load will only coincidentally cause an increase in that utility's instructed generation if that utility's generation happens to be next in the cost-ordered stack. While additional load may result in additional generation sales, or in increased LMPs for generation sales transactions, this relationship is coincidental, at best.

[44] While a single load node LMP is reported, the reported LMP is actually an average of the LMPs at each interconnecting node, weighted by the load transacted at that node. For example, if in a given interval Ameren Missouri requires 100 MWh at Node A, transacted at $20, and 50 MWh at Node B, which is congested, transacted at $100, then the published LMP would be calculated as 100 * $20 = $2,000, 50 * $100 = $5,000, then $7,000 / 150 = $46.67/MWh.

required and the nodes at which the lowest-priced energy could be generated, then the price of energy at the interconnecting load node will be increased to account for redispatch of energy at a location that can serve the load despite the transmission constraint.

No Missouri utility has experience with a single interconnecting load the size of contemplated LLCS customers. The larger the load at a given interconnecting node, the more likely a transmission constraint will occur, and that the magnitude of the potential transmission constraints will be greater. A new LLCS customer is somewhat equivalent to the addition of a new medium-sized city, essentially overnight, located at a single transmission load node. Depending on the location of the specific constraint in a given interval, these constraints could raise the LMPs of other regional load nodes too.[45]

As a Load Serving-Entity, (LSE), Ameren Missouri participates in the MISO integrated market (IM) for transmission, energy, and supportive services such as voltage support, ramping, and regulation. Ameren Missouri also participates in these markets as a transmission owner and as power producer. Ameren Missouri is also responsible for meeting the resource adequacy requirements of MISO and applicable Federal authorities.

Given the size of potential LLCS customers, Staff recommends that the Commission require that each LLCS customer be registered with MISO as a separate commercial pricing node. Absent this treatment, it is difficult to isolate the expenses caused by LLCS customers that would otherwise be flowed through the FAC and which may cause unreasonable impacts on captive ratepayers. Specific expenses and complications are discussed below. In general, Staff's recommended LLCS tariff sets out each area as a discrete charge in its recommended rate structure. Generally, the Ameren Missouri proposed tariffs fail to recognize the determinants associated with each of these discrete integrated market expenses for LSEs. The requested Ameren Missouri riders also induce problematic interactions with the integrated energy market.

Staff recommends that the Commission order in this case include a condition that LLCS customers will be served via a separate commercial pricing node and that Ameren Missouri develop subaccounts that would allow for simple and concise tracking of the MISO costs and revenues directly associated with each customer.

[45] Eventually, it is likely that transmission solutions will be developed to address major constraints. The cost of these solutions should be allocated to the LLCS class.

Using a plug value of $27.50 per MWh for all expenses the customer causes that are included in the FAC, Staff has reviewed the approximate annual impact of the energy to serve that customer on the FAC. Annually, Ameren Missouri will receive $216,491,706 in revenue in excess of cost of service, through the operation of the FAC:[50]

LLCS Revenue under LPS Rates	$	232,795,256
LLCS Cost of Service	$	(102,382,500)
FAC Revenue	$	86,078,950
Retained by Ameren	$	216,491,706

Depending on the actual size of the LLCS customer and the wholesale cost of energy in the future, Ameren Missouri will recover substantial portions of the LLCS customer's cost of energy through the FAC, and fully recover that cost of energy through LLCS rates.

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Staff acknowledges a reverse effect as well if a large load customer leaves the system and reduces Ameren's load after that customer has been recognized in base rates and the FAC base factor. Ameren would then no longer incur the wholesale energy and transmission expense associated with service to that customer.

As discussed in Section "Nodal Pricing and Recommendation for Separate Nodes for LLCS Customers," Staff recommends Ameren have a separate commercial pricing (CP) node for the large load customers, create a separate subaccount for the CP node to isolate these costs, and remove the costs/revenues from the FAC.

If the Commission does not approve Staff's recommendation to have a separate CP node to isolate and remove these costs/revenues from the FAC, Staff recommends the alternative of making an adjustment similar to the "N Factor" that was utilized in the Ameren Missouri FAC associated with its service to Noranda.[51] To calculate this adjustment, the following information should be retained:

[50] This is on an annual basis, for illustration.

[51] In Case No. ER-2016-0130, on January 12, 2016, the Signatories filed a Non-Unanimous Stipulation and Agreement under which they agreed that an amount in dispute arising from the calculation of an adjustment triggered by Noranda Aluminum, Inc.'s (Noranda) load changes (an adjustment commonly referred to as the "N Factor") would not be included in the Fuel Adjustment Rate (FAR) called for by the Company's FAC. An adjustment is triggered if the