Exhibit No. 201

OPC – Exhibit 201
Testimony of Lena M. Mantle
Surrebuttal
Case No. ET-2025-0184

Exhibit No.:	________________
Issue(s):	FAC Subsidization
Witness/Type of Exhibit:	Mantle/Surrebuttal
Sponsoring Party:	Public Counsel
Case No.:	ET-2025-0184

SURREBUTTAL 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

November 3, 2025

SURREBUTTAL 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. Are you the same Lena M. Mantle that filed rebuttal testimony on behalf of the Office of the Public Counsel in this case?

A. Yes.

Q. To what rebuttal filing are you responding?

A. I am responding to the portions of the *Staff Recommendation/Rebuttal* report ("Staff Report") pertaining to the treatment of the fuel adjustment clause ("FAC") costs and revenues of Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") that would be impacted by the addition of a large load customer taking service on the Large Load Customer Electric Service ("LLCS") tariff schedule. This treatment is described on pages 22 through 28 of the Staff report under the heading *Staff-Recommended FAC Treatment and Related Issues* which is informed by information found in other sections of the Staff Report.

Q. What is the FAC treatment to address the subsidization of LLCS customers by non-LLCS customer that Staff recommends?

A. Staff recommends:

> a. Future exclusion of LLCS customer[s] from the FAC, or FAC modification to create a "Reverse N Factor," and "N Factor."
>
> b. Providing LLCS customers with an option to be billed actual MISO integrated energy market costs, enabling and promoting cost-based electric consumption and demand response for LLCS customers, and shielding captive ratepayers from excessive risk

> and cost shifts from the FAC. Under this option the LLCS customer load would be removed from the FAC.[1]

Q. What is the FAC treatment that OPC recommends to minimize the subsidization of the LLCS customers by non-LLCS customers?

A. My recommendation, as provided on page 5 of my rebuttal testimony is:

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

Q. What is the FAC treatment to address the subsidization of LLCS customers by non-LLCS customer recommended by Ameren Missouri?

A. In his direct testimony, Ameren Missouri witness Steven M. Wills outlines Ameren Missouri's only concern with the impact of LLCS customers on its FAC:

> If the Company were to enter into any contractual arrangements under which capacity revenues and/or costs were dedicated to a large load customer (including mitigation of termination fees), then the revenues and costs of that capacity should not be included in the FAC, which would pass them on to all customers and would result in the potential for double counting of their impact.[2]

To remedy this concern, Mr. Wills proposed language that Ameren Missouri will request to be incorporated in its FAC <u>in Ameren Missouri's next general rate case</u>.

---

[1] *Staff Recommendation/Rebuttal Report*, p. 13.
[2] P. 51.

My rebuttal testimony responded to Mr. Wills. In this testimony, I compare Staff's position and recommendations to my own recommendation that language be added to the LLCS tariff schedule that precludes all costs to serve these customers be excluded from Ameren Missouri's FAC.

Q. Is Staff's recommendation that LLCS customers be excluded from Ameren Missouri's FAC consistent with your recommendation?

A. Yes.

Q. Would Ameren Missouri's current FAC rider tariff sheets need to change to effectuate the exclusion of the LLCS customers from Ameren Missouri's FAC?

A. Not if the Commission creates a new "Large Load Customer Service Schedule LLCS" as proposed by Staff. Ameren Missouri's FAC Rider tariff sheet no. 72 states:

> This rider is applicable to kilowatt-hours (kWh) of energy supplied to customers served by the Company under Service Classification Nos. 1(M), 2(M), 3(M), 4(M), 5(M), 6(M), and 11(M).[3]

The new Large Load Customer Service Schedule would not fall under any of these Service Classification designations. To include a new service classification would be a modification to Ameren Missouri's FAC and, statutorily, modifications cannot be made to a FAC outside of a general rate case.

Q. Should the Commission create a new service classification just so the FAC would not apply to the LLCS customers?

A. No, the Commission should order the creation of a new service classification simply because of how different these customers are from the existing LPS customers. The load requirement characteristics of each customer determine which of Ameren

[3] Mo.P.S.C. Schedule No. 6, 3rd Revised Sheet No. 72, *Rider FAC*.

Missouri's rates apply. A residential rate is available to "all residential customers supplied by the Company to individually metered residences and apartments consisting of one or more rooms for the use of one or more persons as a housekeeping unit with space for eating, living and sleeping, and permanent provisions for cooking and sanitation."[4] A small general service customer is transferred to the large general service rate when its metered summer demand is greater than 100 kW.[5] The small primary service rate applies to customers that receive service at the primary transmission voltage.[6] The large primary service ("LPS") rate applies to customers who receive service at primary voltage or higher and who agree to a minimum monthly billing demand of 5 MW.[7]

Staff's recommended designation of LLCS customers of at least 25 MW would, at a minimum, be at least five times greater than this minimum requirement for LPS customers. Ameren Missouri's recommendation that a customer with a demand of greater than 100 MW be classified as LLCS is 20 times greater than the minimum to be served on the LPS rate. Expectations are that a LLCS customer could have a demand of 500 MW or 1,000 MW which is 100 and 200 times greater than the minimum load of a LPS customer.

In addition, the service characteristics and billing challenges of LLCS customers are different enough from the LPS Service class to require legislation and therefore should have a distinct tariff service classification. The reason for the service requirements for LLCS in the LPS classifications would be so that the LLCS customers would be subsidized by the non-LLCS customers through Ameren Missouri's FAC.

[4] Mo.P.S.C. Schedule 6, 8th Revised Sheet Nos. 54, 54.4, 54.7, 54.10, and 54.13.
[5] Mo.P.S.C. Schedule 6, 1st Revised Sheet No. 55.2.
[6] Mo.P.S.C. Schedule 6, Original Sheet No. 57.2.
[7] Mo.P.S.C. Schedule 6, 1st Revised Sheet No. 61.2.

Q. What is your understanding of the "N Factor" adjustment proposed by Staff as an alternative to the exclusion of LLCS customers from Ameren Missouri's FAC?

A. My understanding is that the LLCS Adjustment[8] proposed by Staff would only be in effect until a new LLCS customer hits its full load and is recognized in a rate case or as a LLCS customer dramatically reduces its usage or closes down.[9] The purpose of the adjustment is to remedy subsidization. The details are scarce, and I could not find any proposed tariff sheet language describing how the adjustment would be calculated or imposed.

Q. Would this adjustment remedy all of the subsidization of LLCS customers in Ameren Missouri's FAC?

A. No. If LLCS customers are included in the FAC, non-LLCS customers will be subsidizing them regardless of whether or not the LLCS customer is adding load, stable, or reducing load. The adjustment proposed by Staff would not account for subsidization when the LLCS customer is continuously operating and considered in Ameren Missouri's FAC.

Q. Would you explain why the subsidization continues after the LLCS customer is fully recognized in a general rate case?

A. If the FAC includes all customers, both LLCS customers and non-LLCS customers, the increase in Midcontinent Independent System Operator ("MISO") net capacity costs[10] and energy costs due to the large load customer would be reflected, not only

---

[8] The only resemblance between the original "N Factor" and the adjustment factor proposed by Staff is that both adjust the dollar amounts included in Ameren Missouri's FAC. The reason for the original N Factor was to provide to Ameren Missouri a portion of off-system sales revenues made possible if the energy usage of the Noranda plant dropped by a substantial amount. The intent was to offset the reduction in revenues not collected in rates if the Noranda smelter reduced or ended its operation. This is no longer a concern with energy markets. For this reason, I would recommend that the adjustment proposed by Staff not be labeled a "N Factor" or a "Reverse N Factor" but instead, as Staff provides on page 2 of its Schedule 13 of Appendix 2, the "LLCS Adjustment."

[9] *Staff Recommendation Rebuttal*, Appendix 3, Schedule 13, p. 2 of 7.

[10] This may be manifested through either higher capacity costs or lower capacity revenue.

in the FAC base factor, but also in the permanent rates of all customer classes. The net FAC cost per kWh, also known as the base factor, is an average across all customers weighted by customer usage. Therefore, the addition of a large customer with higher costs skews the average resulting in a base factor that is below the net FAC cost of the LLCS customer class and above the net FAC cost of the non-LLCS customer.

For example,[11] assume the net FAC cost for a utility without a LLCS customer with an energy requirement of 28,653,410,908 kWh is $400,001,616. The FAC base factor is $0.01396/kWh.[12] A LLCS customer with an energy requirement of 876,000,000 is added with a net base FAC cost of $24,090,000. On a stand-alone basis, this customer would have a base factor of $0.02750/kWh.[13] The net FAC costs of the utility as a whole is $424,091,616 and the total energy requirement is 29,529,410,908 kWh which results in a base of $0.01436/kWh.[14] These calculations are shown in Table 1 below:

Table 1
Calculation of Base Factor

	kWh	Net FAC Cost	Base Factor $/kWh	Difference From Total
Non-LLCS	28,653,410,908	$400,011,616	$0.01396	$0.00040
LLCS	876,000,000	$24,090,000	$0.02750	($0.01314)
Total	29,529,410,908	$424,101,616	$0.01436	

Combining the LLCS and non-LLCS customers results in an increase in the energy charge for the non-LLCS customers of $0.00040/kWh[15] resulting in the non-LLCS classes paying more than the cost to serve them. The LLCS class would see a

[11] These are the same energy and cost amounts used by Staff in its calculations found in its Appendix 2, Schedule 13, page 2 of 7.
[12] $400,001,616 ÷ 28,653,410,908 kWh =$0.01396/kWh.
[13] $24,090,000 ÷ 876,000,000 kWh = $0.02750/kWh.
[14] $424,091,616 ÷ 29,529,410,908 kWh = $0.01436/kWh.
[15] $0.01436/kWh - $0.01396/kWh = $0.00040/kWh.

decrease in its energy charge of $0.01314/kWh.[16] meaning they would be charged less than the cost to serve them. Just with that action alone, the non-LLCS classes are subsidizing the LLCS class by $11,510,640 through the permanent rates.[17]

This is the subsidization for a 100 MW LLCS customer with a 100% load factor. If the customer was a 1,000 MW LLCS customer with a 100% load factor, the non-LLCS subsidization in permanent rates would increase to $90,841,200.

Q. Would this increase in permanent rates be offset by a decrease due to the allocation of common fixed costs across the additional energy requirements of the large customer?

A. No. I agree with Staff witness Sarah Lange that Ameren Missouri will need to build more or bigger plants to serve LLCS load.[18] Since the cost of new capacity is greater than Ameren Missouri's current embedded costs, these new or bigger plants will add considerably more to the rates of all customers. Ms. Lange explained in the Staff Report that the net capital cost for Ameren Missouri's current generation fleet is about $900,000 per MW.[19] She goes on to describe how this compares to the cost to build new generation in 2023:

> While much of Ameren Missouri's existing power plant fleet was built in the 1970s-1990s at costs typical for their times, for 2023, the Energy Information Administration reported average construction costs of $1.6 million per MW for photovoltaic power plants, $1.3 million per MW for batteries, and $1.7 million for wind. For simple cycle combustion turbines, the reported cost for 2023 was $562 million per MW. For combined cycle units, the CT portion was $782 million and the Heat Recovery Steam Generator (HRSG) portion was $1.122 million. The cost of power plants has risen since 2023, and will likely continue to rise.[20]

---

[16] $0.01436/kWh - $0.02750/kWh = -$0.01314/kWh.
[17] -$0.01314/kWh x 876,000,000 kWh = -$11,510,640.
[18] *Staff Recommendation Report*, p. 17, footnote 32.
[19] *Id.*, p. 9.
[20] *Id.*

The high cost of having to add capacity and the return on that high cost that is charged to customers will be greater than the impact of spreading existing fixed costs across more kWhs.

Q. Would the revenues received from LLCS customers cover the cost of adding new capacity to the utility customers?

A. No. The revenues from the LLCS customers will only recover the portion of the cost, and the ordered return on that cost, that is allocated to the LLCS customer class. For the addition of generation capacity to not increase the rates of the other classes, the total return on and of the cost of the additional capacity would have to be allocated to the LLCS customers.

Q. Would the design of Ameren Missouri's FAC return some of the FAC cost subsidization of the LLCS class to the non-LLCS classes?

A. No. It would just perpetuate the subsidization. Continuing the example above, non-LLCS customers would continue to be charged $0.01436/kWh even though the net FAC costs they incur is only $0.01396/kWh. The LLCS customers would only have to pay $0.01436/kWh of net FAC costs even though they were causing costs of $0.02750/kWh.

Q. Could this be corrected with an adjustment in the FAC that is effectuated in the next general rate case?

A. Perhaps. However, this would mean that the non-LLCS customers would be billed more than the costs they incurred and then, in a subsequent time period, be given a credit. It would be unlikely that the credit provided an individual customer would match what was billed that customer.

It would be cleaner and more transparent if, instead of calculating an adjustment every recovery period, Ameren Missouri's FAC only applied to non-LLCS customers and only included non-LLCS net FAC costs.

Q. If the Commission ordered a new "Large Load Customer Service Schedule LLCS" as proposed by Staff resulting in Ameren Missouri's FAC only applying to non-LLCS customers, should the Commission order Ameren Missouri to register a separate Commercial Pricing Node for each LLCS customer as recommended by Staff?

A. Yes. While I realize that this recommendation will likely increase cost to serve the LLCS customers, I agree with Staff witness J Luebbert that it will be difficult to accurately isolate the expenses from the myriad of MISO charges that will be impacted by LLCS customers.[21] This information not only would be used to ensure that non-LLCS customers are not subsidizing LLCS customers through the FAC but also for appropriately accounting for cost differences in the future designing of rates for both the LLCS and non-LLCS customers. It would also be valuable for future auditing for subsidization. If this cannot be accomplished for each large customer, then the Commission should order the "Alternative to Separate Pricing Node" requirements provided in the Staff Report, Appendix 2, Schedule 3. In addition, the Commission should order that, if it becomes possible to register these customers as a pricing node, Ameren Missouri should do so as soon as possible.

Any increased cost, either because a customer is registered as a commercial pricing node or from having to meet the requirements in the Staff Report, Appendix 2, Schedule 3, should not impact the non-LLCS customers but be recovered fully from the LLCS customers as a cost of serving them.

Q. Would a separate FAC for the LLCS customers be necessary to assure Ameren Missouri would be able to recover all of its FAC costs?

A. While a separate FAC is an option, Staff recommends a tariffed option[22] to recover wholesale energy charges. LLCS customers would have the option to be billed actual MISO integrated energy market costs incurred in serving them and Ameren

[21] *Staff Recommendation Report*, p. 23.
[22] *Id.*, pp. 54 – 55.

Missouri would be assured that it would recover all those costs for customers that choose that option.

Q. What other option would be available to LLCS customers?

A. The other option that would be available to these customers is a flat energy price set at a higher than the expected market prices. There would be no need for a FACs for the customers that choose this option because the flat energy rate would be set at an amount that would assure Ameren Missouri that it would recover the FAC costs associated with a that customer.

Q. Why would a LLCS customer choose this option?

A. This option would have provide rate certainty removing the risks of potential short-term extreme market prices

Q. Does this conclude your surrebuttal testimony?

A. Yes, it does.

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 surrebuttal 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

Lena M. Mantle
Senior Analyst

Subscribed and sworn to me this 29th day of October 2025.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

Tiffany Hildebrand

Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2027.