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Witness: Lena M. Mantle  
Sponsoring Party: MO PSC Staff  
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**MISSOURI PUBLIC SERVICE COMMISSION**

**REGULATORY REVIEW DIVISION**

**DIRECT/REBUTTAL TESTIMONY**

**OF**

**LENA M. MANTLE**

**UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI**

**FILE NO. EO-2012-0074**

*Jefferson City, Missouri  
May 2012*

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

In the Matter of the Second Prudence )  
Review of Costs Subject to the )  
Commission-Approved Fuel Adjustment )  
Clause of Union Electric Company d/b/a )  
Ameren Missouri )

Case No. EO-2012-0074

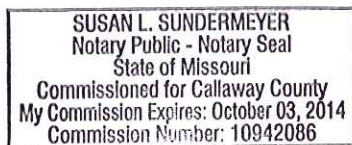
**AFFIDAVIT OF LENA M. MANTLE**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

Lena M. Mantle, of lawful age, on her oath states: that she has participated in the preparation of the following Direct/Rebuttal Testimony in question and answer form, consisting of 15 pages of Direct/Rebuttal Testimony to be presented in the above case, that the answers in the following Direct/Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.

  
\_\_\_\_\_  
Lena M. Mantle

Subscribed and sworn to before me this 14<sup>th</sup> day of May, 2012.



  
\_\_\_\_\_  
Notary Public

**Table of Contents**

**DIRECT/REBUTTAL TESTIMONY**

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**FILE NO. EO-2012-0074**

<b>Ameren Missouri's Fuel Adjustment Clause Tariff Language .....</b>	<b>5</b>
<b>Staff's Discovery of AEP and the Wabash Contracts.....</b>	<b>8</b>
<b>The W-Factor .....</b>	<b>10</b>
<b>Impact of Loss of Noranda's Load on Ameren Missouri .....</b>	<b>12</b>

**DIRECT/REBUTTAL TESTIMONY**

**OF**

**LENA M. MANTLE**

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**FILE NO. EO-2012-0074**

Q. Please state your name and business address.

A. Lena M. Mantle, P.O. Box 360, Jefferson City, MO 65102.

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

A. I am the Manager of the Energy Unit, Regulatory Review Division, of the Missouri Public Service Commission ("Commission").

Q. Please state your educational background and experience.

A. These are contained in Schedule LMM-1.

Q. Have you previously filed testimony before the Commission?

A. Yes. Schedule LMM-1 attached to my testimony also contains a list of cases in which I have previously filed testimony or reports, and the Commission rulemakings that I have been involved in.

Q. What has been your involvement with fuel adjustment clauses at the Commission?

A. After Section 386.266 RSMo. (Supp. 2006), also known as SB 179, became law, I was asked to draft rules for the Commission to implement section 1 of the statute. That section allows the Commission to approve periodic rate adjustments outside of general rate proceedings to reflect increases and decreases in prudently incurred fuel and purchased power costs for electric utilities. I drafted rules that were scrutinized, edited, and modified through a

1 process that included numerous workshops with other members of Staff, utility companies  
2 and ratepayer representatives over a period of many months. The final rules,  
3 4 CSR 240-3.161 Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms  
4 Filing and Submission Requirements and 4 CSR 240-20.090 Electric Utility Fuel and  
5 Purchased Power Cost Recovery Mechanisms, became effective January 30, 2007.

6 I have participated in drafting exemplar tariff sheets for the Fuel and Purchased Power  
7 Adjustment Clauses (“FAC”) of Union Electric Company d/b/a Ameren Missouri (“Ameren  
8 Missouri”), The Empire District Electric Company (“Empire”), and KCP&L Greater Missouri  
9 Operations Company (“GMO”).

10 Q. Did the Commission recently address Ameren Missouri’s prudence regarding  
11 its fuel clause?

12 A. Yes, it did in File No. EO-2011-0255, *In the Matter of the First Prudence*  
13 *Review of Costs Subject to the Commission-Approved Fuel Adjustment Clause of Union*  
14 *Electric Company d/b/a AmerenUE.*

15 Q. Was that case contested?

16 A. Yes.

17 Q. Did you testify in it?

18 A. Yes, I filed direct/rebuttal testimony on November 24, 2010, and provided  
19 testimony before the Commission January 11, 2011.

20 Q. What was contested in that case?

21 A. Ameren Missouri’s exclusion of costs and revenues associated with certain  
22 sales of energy to American Electric Power Operating Companies (“AEP”) and to Wabash  
23 Valley Power Association, Inc. (“Wabash”) during the period of March 1, 2009 to

1 September 30, 2009, in determining the associated FAC charges that are billed to its  
2 customers.

3 Q. What was the Commission's resolution of that issue in File No.  
4 EO-2010-0255?

5 A. The Commission summarized its resolution of the issue in its *Report and*  
6 *Order* that it issued April 27, 2011, as follows:

7 This order determines that Union Electric Company d/b/a Ameren Missouri acted  
8 imprudently, improperly, and unlawfully when it excluded revenues from  
9 power sales agreements with AEP and Wabash from off-system sales revenue  
10 when calculating the rates charged under its fuel adjustment clause.  
11

12 Q. What does the contested issue in File No. EO-2010-0255 have to do with this  
13 case?

14 A. Ameren Missouri also excluded revenues from the power sales agreements  
15 with AEP and Wabash during part of this audit period of October 1, 2009, through  
16 May 31, 2011. It also excluded the AEP and Wabash revenues for the period October 1, 2009  
17 through June 20, 2010. Therefore, other than the audit time periods, the prudence issues are  
18 the same.

19 Q. Are potential revenues from this time period the subject of another case before  
20 the Commission?

21 A. Yes. In Case No. EU-2012-0027 Ameren Missouri is asking the Commission  
22 to grant it an accounting authority order (AAO) that would allow it to defer on its books what  
23 it contends were "lost fixed cost" during the time that the electricity usage of Noranda  
24 Aluminum, Inc. was curtailed after the January 2009 ice storm for rate recovery as a true-up  
25 issue in Case No. ER-2012-0166.

26 Q. Is Case No. EU-2012-0027 a contested case?

Direct/Rebuttal Testimony of  
Lena M. Mantle

1 A. Yes

2 Q. Did you testify in it?

3 A. Yes, I filed rebuttal testimony on March 14, 2012 and provided testimony  
4 before the Commission on May 3, 2012.

5 Q. What is the status of Case No. EU-2012-0027?

6 A. Initial briefs are scheduled to be filed on May 30, 2012. Reply briefs are due  
7 June 12, 2012.

8 Q. Is the prudence of Ameren Missouri's treatment of the revenue margin from  
9 the AEP and Wabash contracts an issue in Case No. EU-2012-0027?

10 A. No, it is not.

11 Q. How is Case No. EU-2012-0027 related to this case?

12 A. Ameren Missouri described the relationship to this case and its appeal of the  
13 Commission's decision in Case No. EO-2010-0255 in a footnote on page 5 of its *Verified*  
14 *Application For Accounting Authority Order* in Case No. EU-2012-0027 as follows:

15 The Company has appealed the Commission's decision in Case No. EO-2010-  
16 0255. In addition, the Commission has only made a determination that the AEP  
17 and Wabash contracts do not reflect long-term partial requirements sales with  
18 respect to revenues under those contracts for the period March 1, 2009 through  
19 September 30, 2009. Consequently, as a result of a successful appeal or based  
20 upon future orders of the Commission for post-September 30, 2009 revenues  
21 under those contracts, there is a scenario where the Company could ultimately be  
22 permitted to retain some or all of the AEP and Wabash revenues and, under such a  
23 scenario, would be able to recover some or all of these fixed costs. This  
24 Application seeks only an AAO, and if such a scenario occurs, the Company  
25 acknowledges that it would not be entitled to amortization and recovery of fixed  
26 costs to the extent they are recovered through AEP and Wabash contract revenues.

27 Q. What is the purpose of your direct/rebuttal testimony in this case?

28 A. In this testimony:

1           1.       I present information to the Commission that Ameren Missouri provided to me  
2 when Ameren Missouri filed its request for a FAC in Case No. ER-2008-0318 regarding  
3 Ameren Missouri's interpretation of the language in its proposed FAC tariff sheets that the  
4 Commission eventually approved in that case;

5           2.       I discuss how the AEP and Wabash contracts were treated in Ameren  
6 Missouri's next general electric rate case, Case No. ER-2010-0036;

7           3.       I respond to Ameren Missouri's witness Gary Weiss's testimony on the  
8 W-factor of the FAC; and

9           4.       I testify to risks that Ameren Missouri assumed when Noranda Aluminum, Inc.  
10 ("Noranda") became its customer and when Ameren Missouri implemented a FAC.

11 **Ameren Missouri's Fuel Adjustment Clause Tariff Language**

12           Q.       Were you involved in the development of Ameren Missouri's FAC tariff  
13 language that was in effect for the period October 1, 2009 through June 20, 2010?

14           A.       Yes, I was. Ameren Missouri first proposed the original tariff language,  
15 including the definition of the OSSR (Off-System Sales Revenue) factor, in the exemplar  
16 FAC tariff sheets it filed in its direct case in Case No. ER-2008-0318. I was the Utility  
17 Operation Division's Case Coordinator and Staff expert on Ameren Missouri's fuel  
18 adjustment clause in that case. I was present for most, if not all, of the discussions involving  
19 Ameren Missouri's FAC in that case, and in the development of the FAC exemplar tariff  
20 sheets that became part of the Stipulation and Agreement regarding the terms of Ameren  
21 Missouri's FAC which the Commission approved.

22           Q.       Did you ask Ameren Missouri to clarify any of the terms of its FAC as it had  
23 proposed them in its exemplar FAC tariff sheets it filed in its direct case?



1           A.     Yes. The FAC exemplar tariff sheets Ameren Missouri included in its direct  
2 filing were very different from the GMO FAC tariff sheets that I had previously worked with.  
3 There were many phrases and definitions on Ameren Missouri's tariff sheets that I was  
4 uncertain about. One of the phrases that I was uncertain about was "Missouri retail sales and  
5 long-term full and partial requirements sales, that are associated with (1) AmerenUE Missouri  
6 jurisdictional generating units, (2) power purchases made to serve Missouri retail load, and  
7 (3) any related transmission" contained in the definition of OSSR. To be sure that I  
8 understood what the phrase meant, I asked Ameren Missouri what this phrase meant during a  
9 discussion where Ameren Missouri was clarifying the definition and phrases in its proposed  
10 FAC tariff sheets. Ameren Missouri told me it was a description of the wholesale contracts  
11 that Ameren Missouri had with municipal utilities to provide electricity to them.

12           Q.     How was OSSR defined in those tariff sheets?

13           A.     It was defined as follows:

14           OSSR = Revenue from Off-System Sales allocated to Missouri electric  
15 operations.

16  
17           Off-System Sales shall include all sales transactions (including MISO revenues  
18 in FERC Account Number 447), excluding Missouri retail sales and long-term  
19 full and partial requirements sales, that are associated with (1) AmerenUE  
20 Missouri jurisdictional generating units, (2) power purchases made to serve  
21 Missouri retail load, and (3) any related transmission.

22           Q.     Was Ameren Missouri's explanation satisfactory to you?

23           A.     Yes, it was. Until Ameren Missouri argued otherwise in File No.  
24 EO-2010-0255, in my experience working at this Commission for over 26 years, in  
25 discussions with investor-owned utilities in which I was involved, their contracts to sell  
26 electricity to municipal utilities were typically referred to as wholesale contracts. I was aware  
27 that Ameren Missouri had included its wholesale municipal contracts in its resource planning

1 process. Having weather normalized Ameren Missouri's net system input in many previous  
2 cases, I knew that the loads of these municipalities were included in the net system input that  
3 Ameren Missouri and Staff used as an input to determine Ameren Missouri's fuel and  
4 purchased power expense in rate cases. Further, in the pending rate case, Case No.  
5 ER-2008-0318, a portion of Ameren Missouri's costs was allocated through jurisdictional  
6 energy and demand allocators to those municipal utilities to which Ameren Missouri sold  
7 electricity. Therefore, Staff viewed that it would have been inappropriate to flow Ameren  
8 Missouri's revenues from these municipal utilities' contracts through Ameren Missouri's  
9 FAC because Ameren Missouri's costs to serve the municipal utilities were not being flowed  
10 through Ameren Missouri's FAC. If Ameren Missouri's revenues from the municipal utilities  
11 flowed back to its customers through its FAC, but the revenue requirements used to set the  
12 rates for its retail customers did not include Ameren Missouri's costs associated with those  
13 contracts, then Ameren Missouri would be being treated as paying for all of its costs to sell  
14 electricity to the municipal utilities, but only receiving 5% of its revenues from them.

15 Q. Did Ameren Missouri ever take any action you found to be inconsistent with  
16 its explanation of this FAC exclusion language?

17 A. Yes. In its next rate case, File No. ER-2010-0036, Ameren Missouri took the  
18 position that this language meant Ameren Missouri's revenues from its contracts with AEP  
19 and Wabash were excluded from off-system sales revenue when calculating the rates charged  
20 under its FAC.

21 Q. Were you surprised?

22 A. Yes. Never during the discussions of this exclusion language in its 2008 rate  
23 case, Case No. ER-2008-0318, which was before Ameren Missouri entered into the AEP and

1 Wabash contracts, did Ameren Missouri discuss the inclusion of these types of contracts from  
2 the exclusionary language of the OSSR component of the FAC.

3 **Staff's Discovery of AEP and the Wabash Contracts**

4 Q. How did Staff become aware of the AEP and Wabash contracts?

5 A. Staff discovered these contracts during Ameren Missouri's rate case, which it  
6 filed on July 24, 2009, File No. ER-2010-0036. On September 24, 2009, I received from the  
7 Federal Energy Regulatory Commission ("FERC") hard copies of documents which stated  
8 that Ameren Missouri had submitted Wholesale Distribution Service Agreements with the  
9 cities of Linneus and Centralia to the FERC for approval.<sup>1</sup> I notified the Energy Department  
10 Staff so that they could check with Ameren Missouri to make sure that they had the current  
11 list of municipalities served by Ameren Missouri for Staff's work on the rate case. As a  
12 result, on September 24, 2009, Staff sent Data Request Nos. 184 and 186 asking Ameren  
13 Missouri to identify current and anticipated wholesale customers. The first time that Staff  
14 saw any mention of the AEP and Wabash contracts was 21 days later on October 14, 2010, in  
15 Ameren Missouri's response to Staff Data Request No. 184 provided by Jaime Haro, Ameren  
16 Missouri's Director, Asset Management and Trading. In that response, Mr. Haro stated  
17 Ameren Missouri was supplying wholesale power to Wabash and to American Electric Power  
18 Service Corp. as agent for the AEP. This was the first time that Staff became aware of the  
19 AEP and Wabash contracts.

20 Q. Why did the Energy Staff need to know about Ameren Missouri's wholesale  
21 customers?

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<sup>1</sup> The FERC dockets are ER09-518-000 and ER09-520-000

1           A.     It is important that the requirements of wholesale municipal customers be  
2 treated consistently in a rate case. They should be included in (1) the calculation of the  
3 jurisdictional allocation factors and (2) the energy requirement that is included in the net  
4 system input used to estimate the utility's fuel and purchased power expense. If the energy  
5 requirements of wholesale customers is included in the calculation of the jurisdictional  
6 allocation factor that is used to allocate costs and expenses, but not in the estimate of fuel and  
7 purchased power expense, then the fuel and purchased power expense allocated to the utility's  
8 retail customers for setting their rates will be too low. If a wholesale customer's energy  
9 requirement is included in the net system input used to estimate fuel and purchased power  
10 expense, but not in the jurisdictional allocation factor calculation, then fuel and purchased  
11 power expense will be allocated to the utility's retail customers for setting their rates will be  
12 too high.

13           Q.     Did Ameren Missouri include the AEP and Wabash contracts in its calculation  
14 of its jurisdictional allocation factors in its next rate case, File No. ER-2010-0036?

15           A.     Yes. In its direct filing made on July 24, 2009, Ameren Missouri included the  
16 AEP and Wabash contracts in the calculation of the jurisdictional allocation factor.

17           Q.     Did Ameren Missouri include the AEP and Wabash contracts in its net system  
18 input provided to Staff for that case?

19           A.     No, it did not. As the rate case progressed it appeared to Staff that there was  
20 some confusion at Ameren Missouri regarding the proper treatment of the AEP and Wabash  
21 contracts. It did not become evident to Staff that Ameren Missouri was not including AEP  
22 and Wabash contract revenues as off-system sales revenues in Ameren Missouri's FAC until  
23 late in that case. Eventually, the parties in that case, File No. ER-2010-0036, signed a *Second*

1 *Nonunanimous Stipulation and Agreement* (“Stipulation”) regarding the AEP and Wabash  
2 contracts, but only for the specific limited purpose of resolving the issue for purposes of that  
3 rate case. This stipulation and agreement did not resolve the differences of the parties  
4 regarding the appropriate treatment of these contracts in Ameren Missouri’s FAC. As a  
5 result, the issue was left to be addressed in prudence reviews of Ameren Missouri’s FAC;  
6 prudence reviews such as this one.

7 **The W-Factor**

8 Q. Is this Stipulation the same nonunanimous stipulation and agreement Ameren  
9 Missouri witness Gary Weiss refers to in his direct testimony on page 4, line 1?

10 A. Yes, it is.

11 Q. Does it contain a W-factor?

12 A. Yes it does.

13 Q. What is the W-factor?

14 A. It is something that was required to get the parties who joined the stipulation and  
15 agreement to join in it and was part of a settlement of how the AEP and Wabash contract revenues  
16 should be treated in that rate case.

17 Q. Mr. Weiss testifies on page 4, lines 4 – 6, of his direct testimony as follows:

18 In particular, the agreement was that starting with the effective date of new  
19 rates in Case No. ER-2010-0036 (which was June 21, 2010), all of the  
20 revenues from AEP and Wabash would be included as off-system sales in the  
21 FAC calculation and that in addition, \$3.6 million of margins under those  
22 contracts would also reduce net fuel cost charges to customers through a  
23 reduction in net fuel costs of \$300,000 per month for 12 months. The  
24 \$300,000 per month reduction started in July 2010 and continued through June  
25 2011, via the “W” factor that was included in the FAC tariff as a result of the  
26 *Stipulation*.

27 Do you agree with this testimony by Mr. Weiss?

1           A.     No, I do not. I could not find anywhere in the Stipulation where it was stated that  
2 the W-factor was part of the margins from the AEP and Wabash contracts, and that is not what  
3 Staff agreed to. The stipulation states:

4           5. The fuel adjustment clause tariff sheets shall also be revised to include an  
5 additional reduction in the numerator of the FPA factor in the amount of  
6 \$300,000 per month [W-factor] during a twelve-month period commencing  
7 with the first full month for which new rates from this case are effective which  
8 shall be accomplished in accordance with the following two highlighted  
9 changes to AmerenUE's fuel adjustment clause, which are in addition to  
10 changes agreed to in the First Nonunanimous Stipulation and Agreement:

11  
12 
$$FPA_{(RP)} = [[(CF+CPP-OSSR-TS-S-W) - (NBFC \times S_{AP})] \times \_\% + I$$
  
13 
$$+ R - N]/S_{RP}$$
  
14

15 W = \$300,000 per month for the months, \_\_\_\_\_, 2010 through,  
16 \_\_\_\_\_, 2011. This factor "W" expires on \_\_\_\_\_, 2011.

17 The Stipulation also includes the following:

18           6. The signatories expressly agree this Stipulation does not, and is not intended  
19 to, preclude any party from taking any position in this or in any subsequent  
20 Commission case including the position that these AEP and Wabash contracts,  
21 for periods prior to the effective date of new rates from this case, should be  
22 treated as off-system sales for purposes of AmerenUE's current fuel  
23 adjustment clause.

24 and

25 **GENERAL PROVISIONS**

26 a. This Stipulation is being entered into for the purpose of disposing of the  
27 issues that are specifically addressed in this Stipulation. In presenting this  
28 Stipulation, none of the signatories shall be deemed to have approved,  
29 accepted, agreed, consented or acquiesced to any ratemaking principle or  
30 procedural principle, including, without limitation, any method of cost or  
31 revenue determination or cost allocation or revenue related methodology, and  
32 none of the signatories shall be prejudiced or bound in any manner by the  
33 terms of this Stipulation (whether it is approved or not) in this or any other  
34 proceeding, other than a proceeding limited to enforce the terms of this  
35 Stipulation, except as otherwise expressly specified herein.

36           Q.     Did you attend and participate in the AEP and Wabash settlement discussions  
37 in Case No. ER-2010-0036?

1 A. Yes, I did.

2 Q. What is Staff's position with respect to the W-factor?

3 A. The parties, including Ameren Missouri, agreed that Ameren Missouri would  
4 reduce fuel cost by \$300,000 a month for twelve months in order to settle the disagreement  
5 between the parties regarding how to handle the AEP and Wabash contracts in Case No.  
6 ER-2010-0036. If the parties to the stipulation had intended for it to offset the AEP and  
7 Wabash margins that had not been passed through the FAC, then the parties would have  
8 stated so in their written agreement filed with the Commission. Instead they included  
9 language that specifically allowed them to take any position in a subsequent case regarding  
10 the AEP and Wabash contracts.

11 Q. Is this the only FAC tariff to include an amount expressly for settlement  
12 purposes?

13 A. No, it is not. In the previous Ameren Missouri rate case, Case No. ER-2008-  
14 0318, the settlement of the FAC tariff included the S-factor which was a black-box settlement  
15 that Ameren Missouri would reduce its fuel cost by \$3 million a year.

16 **Impact of Loss of Noranda's Load on Ameren Missouri**

17 Q. Was the impact of a sudden reduction in Noranda's load unforeseen by Staff?

18 A. No, Staff was aware of the potential, and raised it when Ameren Missouri and  
19 Noranda sought for Noranda to become a customer of Ameren Missouri. In Case No.  
20 EA-2005-0180<sup>2</sup>, the case in which the Commission approved a certificate of public  
21 convenience and necessity for Ameren Missouri so that it could provide service to Noranda,

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<sup>2</sup> Case No. EA-2005-0180 *Application of Union Electric Company for a Certificate of Public Convenience and Necessity Authorizing it to Construct, Install, Own, Operate, Control, Manage and Maintain Electric Plant, as Defined in § 386.020(14), RSMo. to Provide Electric Service in a Portion of New Madrid, County, Missouri, as an Extension of its Existing Certificated Area.*

1 Staff stated on page 7 of *Staff Suggestions In Support of Unanimous Stipulation and*  
2 *Agreement*:

3 In addition, if Noranda, for example, closed down, without the intervention of  
4 the five-year notice provision, the risk of other Missouri retail electricity  
5 customers paying more is mitigated by AmerenUE's opportunity to sell the  
6 energy represented by the Noranda load into the off-system market for  
7 electricity.

8 Q. Was this statement made specifically with respect to Noranda closing down  
9 due to an ice storm?

10 A. No. Staff was aware that there was a risk to Ameren Missouri if Noranda  
11 closed down without the intervention of the five-year period, whether the closing be due to an  
12 ice storm, earthquake or change in economic conditions, and pointed the possibility out to  
13 Ameren Missouri and the Commission.

14 Q. Didn't Ameren Missouri do exactly what Staff suggested after the ice storm  
15 severely reduced Noranda's load?

16 A. Yes it did. Since Ameren Missouri would not be selling as much electricity to  
17 Noranda, it had more electricity available to sell in the off-system market. To not seek  
18 opportunities to sell this electricity would have been imprudent.

19 Q. Why then is Staff saying that Ameren Missouri was imprudent when it sold  
20 electricity to AEP and Wabash?

21 A. Staff is not saying Ameren Missouri was imprudent for entering into the  
22 contracts with AEP and Wabash. Staff is saying Ameren Missouri was imprudent in how it  
23 treated the revenues from the contracts under its fuel adjustment clause in this case just as the  
24 Commission determined in Case No. EO-2010-0255.

25 Q. Why was that not part of the discussion in Staff's Suggestions in Support of  
26 the Unanimous Stipulation and Agreement in Case No. EA-2005-0180?



1           A.     Ameren Missouri did not have a fuel adjustment clause then. When the  
2 Commission approved the *Unanimous Stipulation and Agreement* in Case No. EA-2005-0180  
3 effective on March 20, 2005, and until the tariff sheets resulting from the Report and Order to  
4 Case No. ER-2008-0318 went into effect March 1, 2009, Ameren Missouri did not have a fuel  
5 adjustment clause. Until it had a fuel adjustment clause, Ameren Missouri retained the  
6 revenues from additional off system sales.

7           With Ameren Missouri's FAC the Commission approved in Case No. ER-2008-0318,  
8 changes in Ameren Missouri's off-system sales revenues offset changes in Ameren Missouri's  
9 fuel purchase costs, subject to a 95/5 sharing mechanism. As Ameren Missouri witness Lynn  
10 M. Barnes states on page 6, lines 1-3, of her direct testimony in this case "the vast majority of  
11 the language agreed upon in the Stipulation was the same language proposed by the Company  
12 when it filed the proposed FAC tariff at the inception of Case No. ER-2008-0318." In fact,  
13 the OSSR definition in the agreed to rate design of Ameren Missouri's FAC applicable for the  
14 time period of October 1, 2009 through June 20, 2010, is identical to the OSSR definition  
15 Ameren Missouri proposed in its direct case.

16           Q.     Why is that important in this case?

17           A.     In Case No. EA-2005-0180 Ameren Missouri requested, and received, from  
18 the Commission the opportunity and obligation to serve Noranda. In doing so, Ameren  
19 Missouri also took on the risks associated with serving a customer that uses so much  
20 electricity. When Ameren Missouri requested a FAC in Case No. ER-2008-0318 that  
21 included revenues from contract sales in it, Ameren Missouri took on the risk that Noranda  
22 might suddenly quit using such large amounts of electricity and that the revenues from selling

Direct/Rebuttal Testimony of  
Lena M. Mantle

1 | that electricity to others instead of Noranda would flow to Ameren Missouri's customers  
2 | through its FAC.

3 |       Q.     What is Staff's recommendation in this case?

4 |       A.     Staff is recommending that all of Ameren Missouri's margins from the AEP  
5 | and Wabash contracts be refunded to Ameren Missouri's customers, with the appropriate  
6 | interest, in the next change to Ameren Missouri's fuel adjustment charge that immediately  
7 | follows an order from the Commission in this case.

8 |       Q.     Does this conclude your direct/rebuttal testimony?

9 |       A.     Yes, it does.

**Education and Work Experience Background for**  
**Lena M. Mantle, P.E.**

Energy Unit Manager  
Tariff, Safety, Economic and Engineering Analysis Department  
Regulatory Review Division

I received a Bachelor of Science Degree in Industrial Engineering from the University of Missouri, at Columbia, in May, 1983. I joined the Research and Planning Department of the Missouri Public Service Commission in August, 1983. I became the Supervisor of the Engineering Analysis Section of the Energy Department in August, 2001. In July, 2005, I was named the Manager of the Energy Department. The Energy Department was renamed the Energy Unit in August, 2011. I am a registered Professional Engineer in the State of Missouri.

In my work at the Commission from May 1983 through August 2001 I worked in many areas of electric utility regulation. Initially I worked on electric utility class cost-of- service analysis. As a member of the Research and Planning Department, I participated in the development of a leading-edge methodology for weather normalizing hourly class energy for rate design cases. I applied this methodology to weather normalize energy in numerous rate increase cases.

My responsibilities as the Supervisor of the Engineering Analysis section considerably broadened my work scope. This section of the Commission Staff is responsible for a wide variety of engineering analysis including electric utility fuel and purchased power expense estimation for rate cases, generation plant construction audits, review of territorial agreements and resolution of customer complaints. As the Manager of the Energy Unit, I oversee the activities of the Engineering Analysis section, the electric and natural gas utility tariff filings, the Commission's natural gas safety staff, fuel adjustment clause filings, resource planning compliance review and the class cost-of-service and rate design for natural gas and electric utilities.

In my work at the Commission I have participated in the development or revision of the following Commission rules:

4 CSR 240-3.130	Filing Requirements and Schedule of Fees for Applications for Approval of Electric Service Territorial Agreements and Petitions for Designation of Electric Service Areas
4 CSR 240-3.135	Filing Requirements and Schedule of Fees Applicable to Applications for Post-Annexation Assignment of Exclusive Service Territories and Determination of Compensation
4 CSR 240-3.161	Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements
4 CSR 240-3.162	Electric Utility Environmental Cost Recovery Mechanisms Filing and Submission Requirements
4 CSR 240-3.190	Reporting Requirements for Electric Utilities and Rural Electric Cooperatives
4 CSR 240-14	Utility Promotional Practices
4 CSR 240-18	Safety Standards
4 CSR 240-20.015	Affiliate Transactions
4 CSR 240-20.090	Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms
4 CSR 240-20.091	Electric Utility Environmental Cost Recovery Mechanisms
4 CSR 240-22	Electric Utility Resource Planning

I have testified before the Commission in the following cases:

<b><u>CASE NUMBER</u></b>	<b><u>TYPE OF FILING</u></b>	<b><u>ISSUE</u></b>
ER-84-105	Direct	Demand-Side Update
ER-85-128, et. al	Direct	Demand-Side Update
EO-90-101	Direct, Rebuttal & Surrebuttal	Weather Normalization of Sales; Normalization of Net System
ER-90-138	Direct	Normalization of Net System
EO-90-251	Rebuttal	Promotional Practice Variance

EO-91-74, et. al.	Direct	Weather Normalization of Class Sales; Normalization of Net System
ER-93-37	Direct	Weather Normalization of Class Sales; Normalization of Net System
ER-94-163	Direct	Normalization of Net System
ER-94-174	Direct	Weather Normalization of Class Sales; Normalization of Net System
EO-94-199	Direct	Normalization of Net System
ET-95-209	Rebuttal & Surrebuttal	New Construction Pilot Program
ER-95-279	Direct	Normalization of Net System
ER-97-81	Direct	Weather Normalization of Class Sales; Normalization of Net System; TES Tariff
EO-97-144	Direct	Weather Normalization of Class Sales; Normalization of Net System;
ER-97-394, et. al.	Direct, Rebuttal & Surrebuttal	Weather Normalization of Class Sales; Normalization of Net System; Energy Audit Tariff
EM-97-575	Direct	Normalization of Net System
EM-2000-292	Direct	Normalization of Net System; Load Research;
ER-2001-299	Direct	Weather Normalization of Class Sales; Normalization of Net System;
EM-2000-369	Direct	Load Research
ER-2001-672	Direct & Rebuttal	Weather Normalization of Class Sales; Normalization of Net System;
ER-2002-1	Direct & Rebuttal	Weather Normalization of Class Sales; Normalization of Net System;
ER-2002-424	Direct	Derivation of Normal Weather
EF-2003-465	Rebuttal	Resource Planning
ER-2004-0570	Direct	Reliability Indices
ER-2004-0570	Rebuttal & Surrebuttal	Energy Efficiency Programs and Wind Research Program

EO-2005-0263	Spontaneous	DSM Programs; Integrated Resource Planning
EO-2005-0329	Spontaneous	DSM Programs; Integrated Resource Planning
ER-2005-0436	Direct	Resource Planning
ER-2005-0436	Rebuttal	Low-Income Weatherization; Energy Efficiency Programs
ER-2005-0436	Surrebuttal	Low-Income Weatherization; Energy Efficiency Programs; Resource Planning
EA-2006-0309	Rebuttal, Surrebuttal	Resource Planning
EA-2006-0314	Rebuttal	Jurisdictional Allocation Factor
ER-2006-0315	Supplemental Direct	Energy Forecast
ER-2006-0315	Rebuttal	DSM; Low-Income Programs
ER-2007-0002	Direct	DSM Cost Recovery
GR-2007-0003	Direct	DSM Cost Recovery
ER-2007-0004	Direct	Resource Planning
ER-2008-0093	Rebuttal	Fuel Adjustment Clause, Low-Income Program
ER-2008-0318	Surrebuttal	Fuel Adjustment Clause
ER-2009-0090	Surrebuttal	Capacity Requirements
ER-2010-0036	Supplemental Direct, Surrebuttal	Fuel Adjustment Clause
EO-2010-0255	Direct/Rebuttal	Fuel Adjustment Clause Prudence
ER-2010-0356	Rebuttal, Surrebuttal	Resource Planning Issues
ER-2011-0028	Rebuttal, Surrebuttal	Fuel Adjustment Clause
EU-2011-0027	Rebuttal	Fuel Adjustment Clause

Contributed to Staff Direct Testimony Report

ER-2007-0291	DSM Cost recovery
ER-2008-0093	Fuel Adjustment Clause, Experimental Low-Income Program

ER-2008-0318	Fuel Adjustment Clause
ER-2009-0090	Fuel Adjustment Clause, Capacity Requirements
HR-2009-0092	Fuel Adjustment Rider
ER-2010-0036	Environmental Cost Recovery Mechanism
ER-2010-0356	Resource Planning Issues
ER-2011-0028	Fuel Adjustment Clause