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25-00074

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September 8, 2025

Via E-mail and Federal Express

David F. Jones, Chairman
c/o Ectory Lawless - Docket Room
Tennessee Public Utility Commission
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

Re: Application of Piedmont Natural Gas Company, Inc. and Spire Tennessee Inc. for Approval of a Transfer of Authority to Provide Utility Services Pursuant to T.C.A § 65-4-113 and Related Authorizations

Dear Chairman Jones,

Enclosed for electronic filing with the Commission is Piedmont Natural Gas Company, Inc. and Spire Tennessee Inc.'s (collectively, the "Applicants") Application for Approval of a Transfer of Authority to Provide Utility Services and Related Authorizations, Direct Testimony and Exhibits of David Yonce, Direct Testimony and Exhibits of Brittany Mathis, Direct Testimony of Joe Hampton, and Direct Testimony of Mike Switzer.

Some of the materials provided are confidential and proprietary trade secrets of the Applicants. Therefore, the Applicants respectfully request that the Tennessee Public Utility Commission treat those materials in a manner consistent with that designation.

The $50.00 filing fee is being mailed to TPUC, and an original and four copies are being sent directly from McGuireWoods LLP's Charlotte office. This material is also being filed today by way of email. Please file the original and provide a "filed" stamped copy of the same via email.

Thank you for your assistance with this matter. If you have any questions about this filing, you may reach me at the number shown above.

Sincerely yours,

HOLLAND & KNIGHT LLP

Paul S. Davidson
Equity Partner

PSD/jv
Enclosures

cc: Michelle Mairs
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Karen Stachowski
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Charlotte A. Mitchell
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Henry M. Walker

David Yonce Direct Testimony and Exhibits

Before the
Tennessee Public Utility Commission

Docket No. 25-00074

APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC. AND SPIRE TENNESSEE INC. FOR APPROVAL OF A TRANSFER OF AUTHORITY TO PROVIDE UTILITY SERVICES PURSUANT TO T.C.A § 65-4-113 AND RELATED AUTHORIZATIONS

Direct Testimony
of
David Yonce

On Behalf Of
Spire Tennessee Inc.

September 8, 2025

Q. Please state your name and business address.

A. My name is David Yonce. My business address is 700 Market Street St. Louis, MO 63101.

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

A. I am employed by Spire Missouri Inc. ("Spire Missouri") as Managing Director, Regulatory Affairs.

Q. Please describe your educational and professional background.

A. I received my Bachelor of Business Administration in Finance from Truman State University, and my Master of Business Administration from the Washington University in St. Louis – Olin Business School. I joined Spire Inc. ("Spire" or the "Company") in 2013 as a Senior Analyst, Strategy and Corporate Development, and became Director, Strategy and Corporate Development in 2016. Over the next seven years, I progressed through the Company in roles of increasing responsibility, including Director, Gas Operations and Control in 2019, and Managing Director Gas Supply in 2022. Since January 2023, I have served in my current position as Managing Director, Regulatory Affairs for Spire Missouri, where I have direct responsibility for Spire Missouri's rates and tariffs, including overseeing its regulatory filings and managing cases before the Missouri Public Service Commission ("MoPSC"), and overseeing its energy efficiency programs.

Q. Have you previously testified before the Tennessee Public Utility Commission ("TPUC" or the "Commission") or any other regulatory authority?

A. Yes. I have submitted testimony in MoPSC File Nos. GR-2021-0127, GR-2022-0136, GC-2024-0172, and GR-2024-0107.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to provide support for the Joint Application of Spire Tennessee Inc. ("Spire Tennessee") – a new wholly-owned subsidiary of Spire – and Piedmont Natural Gas Company, Inc. ("Piedmont") – a wholly-owned subsidiary of Duke Energy Corporation – seeking approval from the Commission for Spire Tennessee to acquire Piedmont's property, operations, and authority to provide utility services in the State of Tennessee (the "Proposed Transaction"). In this testimony, I will explain why Spire Tennessee is uniquely qualified to own and operate Piedmont's Tennessee assets, the benefits the transaction will deliver to Tennessee customers, and why approval of the Proposed Transaction is in the public interest.

Q. Do you have any exhibits to your testimony?

A. Yes. Exhibit 1 to my testimony is Spire's Services and Facilities Agreement ("SFA") between the Company and its affiliates. Exhibit 2 is the Cost Allocation Manual ("CAM") under which the Company and its affiliates operate. Exhibits 3 and 4 are copies of the annual CAM Reports that we file with the MoPSC and the Alabama Public Service Commission

("APSC"), respectively, regarding the individual Spire utilities regulated by those utility commissions.

I. Operational Experience of Spire

Q. Please describe Spire's experience providing natural gas distribution and related services to the public.

A. Spire is a publicly traded natural gas holding company that owns regulated natural gas public utilities serving over 1.7 million customers across Missouri, Alabama, and Mississippi, and maintains a growing presence in other states through interstate pipeline operations and midstream assets. Spire has a proven track record of safely and reliably operating extensive natural gas distribution systems in diverse geographic and regulatory environments. Our leadership team, who are identified in the Joint Application, has decades of experience in system operations, pipeline safety, customer service, and regulatory compliance.

We maintain a strong financial position, supported by consistent earnings, prudent capital investment, and a balanced approach to debt and equity, as more fully described in the testimony of Company witness Brittany Mathis. Our scale and financial stability allow us to invest in infrastructure modernization, adopt advanced technology, and weather market fluctuations, ensuring the systems we operate remain safe, reliable, and affordable.

Q. Please describe Spire's natural gas public utility operations.

A. Spire was formed in 2000 and is the holding company for Spire Missouri, as well as for Spire Alabama Inc. ("Spire Alabama"), Spire Gulf Inc. ("Spire Gulf") and Spire Mississippi Inc. ("Spire Mississippi"), as well as additional natural gas-related businesses. The predecessors of Spire Missouri, Spire Alabama, Spire Gulf, and Spire Mississippi were formed in 1857, 1948, 1836, and 1934, respectively.

Spire Missouri, a public utility engaged in the purchase, retail distribution and sale of natural gas, serves approximately 1.2 million residential, commercial and industrial customers in St. Louis, Kansas City, and other areas in Missouri, and is the largest natural gas distribution utility system in Missouri. Spire Missouri purchases natural gas in the wholesale market from producers and marketers and ships the gas through interstate pipelines into its own distribution facilities for sale to residential, commercial and industrial customers. Spire Missouri also transports gas through its distribution system for certain larger customers who buy their own gas on the wholesale market. Spire Missouri delivers natural gas to customers at rates and in accordance with tariffs authorized by the MoPSC.

Spire Alabama, a public utility engaged in the purchase, retail distribution and sale of natural gas principally in central and northern Alabama, serves more than 400,000 residential, commercial and industrial customers and is the largest natural gas distribution utility in the state of Alabama. Among the cities served by Spire Alabama are Birmingham, the center of the largest metropolitan area in the state, and Montgomery, the state capital. Spire Alabama purchases natural gas through interstate and intrastate suppliers and distributes the purchased gas through its distribution facilities for sale to residential, commercial, and industrial customers and other end-users of natural gas. Spire Alabama also transports gas through its distribution system for certain large commercial and industrial customers for a transportation fee. For most of these transportation service customers, Spire Alabama also purchases gas on the wholesale market for sale to the customer upon delivery to the Spire Alabama distribution system. Spire Alabama is regulated by the APSC and its services are provided to customers at rates and in accordance with tariffs authorized by the APSC.

Spire Gulf and Spire Mississippi are utilities engaged in the purchase, retail distribution and sale of natural gas to approximately 100,000 customers in the Mobile, Alabama area and south-central Mississippi. Spire Gulf is regulated by the APSC, and Spire Mississippi is regulated by the Mississippi Public Service Commission ("MSPSC").

Each of the existing Spire natural gas utility operations described above is substantially similar to the public utility business operations conducted by Piedmont in Tennessee and all are fully regulated by state public service commissions.

Q. Please describe how Spire operates its natural gas public utilities.

A. Spire operates its gas utilities under two primary business units, Spire Missouri and Spire Southeast. The Spire Missouri business unit is responsible for all of Missouri's utility business operations serving approximately 1.2 million customers across the state. The Spire Southeast business unit is responsible for all Alabama and Mississippi operations, including Spire Alabama, Spire Gulf, and Spire Mississippi.

Q. What are the main priorities for Spire's utility operations?

A. At the beginning of 2024, Spire identified six priority areas that form the basis of its strategy for advancing our Company and being an industry leader among U.S. natural gas companies. As part of this work, Spire established a set of utility imperatives that outlines and supports important work necessary to align our business around these focus areas. These six priority areas and imperatives are:

1. Safe, reliable service: Safely and reliably deliver energy;
2. Satisfied and engaged customers: Deliver value and service to our customers that satisfies their expectations;
3. Utility growth: Grow our utilities in scale and value while retaining customers;
4. Flexible, committed workforce: Develop a skilled and diverse workforce that is equipped, flexible and committed to our utility strategy;
5. Sustainability progress: Meet or exceed sustainability commitments and targets; and
6. Financial success: Achieve our established financial targets.

Q. Please discuss Spire's commitment to safety.

A. Safety is one of Spire's core values. The ongoing safety and well-being of our customers and employees is paramount to how we operate our businesses. Objectives, goals and targets change, but values do not. Safety will always remain the primary focus of Spire's businesses.

Spire's industry-leading Safety Management Systems ("SMS") was launched in July 2021 and represents a company-wide endeavor covering all operations. This framework allows for a holistic approach to managing safety throughout the Company and provides the tools needed to track and improve our safety-related goals. Our SMS platform, which follows the American Petroleum Institute Recommended Practice 1173 (API RP 1173), is comprised of 10 elements that include:

1. Leadership and management commitment;
2. Stakeholder engagement;
3. Risk management;
4. Operational controls;
5. Incident investigation, evaluation and lessons learned;
6. Safety assurance;
7. Management review and continuous improvement;
8. Emergency preparedness and response;
9. Competence, awareness and training; and
10. Documentation and record keeping.

Of note, our incident investigation, evaluation and lessons learned component, listed as element No. 5 above, is considered cutting-edge and has been endorsed by the American Gas Association.

In 2024, a gap analysis was performed and multiple actions identified to increase the maturity of each SMS element. Tabletop exercises were hosted, resulting in actionable insights to improve the system. Management reviews were prepared to assess different aspects of the elements. Several key initiatives resulting from our findings have already been undertaken. Spire tracks leadership's involvement in safety initiatives and meetings, especially those involving engagement with field-based employees. The Leadership Safety Engagement key performance indicator is internally reported monthly. Additionally, training sessions to educate field operations personnel on SMS and how it enhances the safety of day-to-day tasks were conducted in both Alabama and Missouri.

Q. How do you ensure employee safety?

A. Spire maintains health and safety policies that comply with all applicable regulations, including those of the Occupational Safety and Health Administration, Federal Motor Carrier Safety Administration and United States Pipeline and Hazardous Materials Safety Administration ("PHMSA"). Key safety metrics are tracked and socialized regularly with employees. Throughout each year, we track various metrics to improve engagement in safety processes, promote safety awareness before an injury or incident occurs and improve safety performance. Below are some examples of the methods we use to track such metrics and optimize safety:

- <u>Field Safety Observations Program</u>: The Field Safety Observations Program encourages employees to observe and document their job sites and vehicles. Field safety observations drive conversations about critical safety items and provide both a learning tool and a double check. Because observations are documented, there is also an additional opportunity to collect and analyze safety-related field trends.

- Good Catch Program: The Good Catch Program proactively encourages employees to identify, resolve, and report safety improvements in the workplace. A company-wide coalition reviews all requests and evaluates them in terms of safety impact. These incidents are then reported out broadly to employees to show the impact. The program is driving down motor vehicle accidents and injuries and puts a hard focus on employee ownership of potentially dangerous situations.

Q. Will Spire import these systems into its operations in Tennessee?

A. Yes. Piedmont has a great track record for safety and many great programs already in place. Spire's track record is equally strong and the Company intends to leverage Piedmont's existing programs and supplement them with programs such as these where appropriate.

Q. How does Spire ensure the integrity of its distribution and transmission systems?

A. Spire actively manages the integrity of our natural gas distribution and transmission systems in accordance with requirements issued by PHMSA. Similar to Piedmont, we maintain a written Distribution Integrity

Management Plan ("DIMP") that includes a risk-weighted score for each identified threat to the distribution system and details measures that we will implement to mitigate those threats. We have an established set of processes to review and update the DIMP annually, and as required, to reflect changes and improvements that have occurred in the process.

For transmission, we maintain a written Transmission Integrity Management Plan ("TIMP") that includes a weighted risk score for each identified threat to the pipelines in those transmission systems and detailed measures that we will implement to mitigate those threats. We have an established set of processes to review and update the TIMP. It is reviewed annually and updated as required to reflect changes and improvements that have occurred in the process, procedures and analysis for each element of the program. These programs currently exist at Piedmont and will be continued and expanded upon as needed by Spire upon the closing of the Proposed Transaction.

Q. Please discuss Spire's commitment to customer service.

A. Spire delivers safe, affordable, reliable, and efficient energy to our customers every day. With a strong foundation in place, Spire continues to focus on better understanding our customers' needs so we can better serve them. We offer multiple assistance programs to help meet our customers' unique needs. Our dedicated team of community support specialists connects customers with available programs and resources. In 2024, Spire helped connect families with more than $23 million in federal, state and

Spire energy assistance funding.

Q. Please discuss Spire's commitment to the communities it serves.

A. Serving others remains at the heart of what we do – giving our time, talents and support to the communities where we live and work. Spire continues to advance the communities we serve through charitable donations and economic development investments, as well as sponsorships, volunteerism and memberships in organizations that align with our values and business strategy.

By advancing our community focus in 2024, we accomplished the following:

- Invested more than $6.5 million to support the communities we serve, including more than $2 million in sponsorships and memberships;
- 1,414 employees volunteered at 127 community organizations;
- More than 13,000 employee volunteer hours realized; and
- Named one of Newsweek's "Most Responsible Companies" for the sixth year in a row.

II. Support of Tennessee Operations

Q. How will Spire support gas distribution operations in Tennessee?

A. Spire will support gas distribution operations by continuing to focus on safety, affordability, and reliability throughout the Tennessee service territory. Spire will also establish a strong local presence in Tennessee, along with its shared services structure.

Q. Will any employees of Piedmont in Tennessee lose their job as part of the Proposed Transaction?

A. No. All Tennessee employees of Piedmont will be transferring with the Proposed Transaction and will become Spire Tennessee employees in the future.

Q. Please describe the local presence Spire intends to have in Tennessee.

A. Spire will continue to have a strong local presence in Tennessee, similar to that of Piedmont, including field personnel and local leadership to provide guidance and support to local personnel and the community. As stated above, Spire also intends to offer each current Piedmont employee in Tennessee employment with Spire Tennessee.

Q. How will Spire provide additional support functions to Tennessee?

A. Spire has a mature shared services structure that has evolved over the years to a legal entity that now directly employs individuals, enters into contracts, and supports the regulated and non-regulated operations of Spire. We intend to utilize this shared services model in Tennessee as well.

Q. Are there any documents that govern how costs are shared among Spire's entities?

A. Yes. Spire has an SFA between the Company and its affiliates, as well as a CAM that identifies services, costing methodologies, cost allocation guidelines, and other factors relative to Spire entities.

Q. Please describe Spire's shared services support structure.

A. Spire utilizes a shared services structure that supports the efficient operation of corporate and operational departments in delivering services across Spire's footprint. The operations function that focuses on gas utility shared services includes customer experience, engineering, operations services, gas supply and system control, measurement, and business and economic development. Depending on the department, they may further be focused on providing regional support. Corporate shared services functions including, but not limited to, finance, legal, and human resources provide services to the gas utilities and other non-utility business units. Please see Exhibit B of the SFA (which itself is attached as Exhibit 1) for a more complete listing of shared services departments and descriptions of the services provided as well as the entities that the departments serve.

Q. What types of shared costs are allocated?

A. Spire collects both payroll and non-payroll costs to distribute to affiliates. These can be in the form of capital, software as a service development costs, insurance premiums, and non-capital costs.

Q. Does Spire charge affiliates a markup for shared services costs?

A. No. All costs directly charged or allocated are the lesser of fair market price or fully distributed costs of the entity providing the goods or services. The CAM provides further details on costing methodology used for intercompany costs.

Q. How does Spire ensure shared services costs are allocated appropriately to its various business entities?

A. Spire operates across multiple regulatory jurisdictions, and it is essential that shared costs are spread in a manner that aligns with those entities that ultimately receive the benefits of those services. Shared costs are direct charged to business entities when possible; however, costs are allocated using causal or general allocators for those costs where it is not possible or efficient to directly assign. Spire has set up cost collectors that allow those incurring the costs to designate which entities, such as regional, utility, non-utility, or company-wide, should receive costs, as well as what allocation factors to use. A variety of causal factors are employed that seek to utilize factors more closely linked to the cost being incurred, and remaining cost allocations utilize a multi-factor formula such as the Modified Massachusetts Formula.

Q. How does Spire budget and track shared services costs?

A. Spire's financial planning and analysis department reviews departmental costs during the annual budgeting process, and budgets costs to specific projects that determine how specific costs are allocated. Actual costs and related allocations are compared to budget on a monthly basis over the course of the fiscal year to identify and address variances that may arise.

Q. Does Spire provide reporting of shared costs to regulators in the jurisdictions it serves?

A. Yes. Spire Missouri provides an annual CAM report along with interim quarterly detail on shared services allocations and intercompany charging. Spire Alabama and Spire Gulf provide annual and interim reporting to the APSC. As referenced earlier in my testimony, copies of the most recent

MoPSC and APSC annual reports can be found as Exhibits 3 and 4, respectively, to my testimony. Additional shared services reporting is also provided to the MPSC by Spire Mississippi, but it is on more of an ad hoc basis. The goals of these various reports are to show how costs are distributed, that they are being equitably shared across the entities that benefit from those costs, and that cross-subsidization between affiliates is prevented to the greatest extent practicable and possible.

Q. How will Spire ensure the continued safe and reliable service to customers in Nashville?

A. As described in detail above, Spire is a very experienced and capable utility operator with a proven track record of providing safe and reliable service to its customers. We are very confident that we will meet or exceed the expectations of our Nashville customers and intend to provide the same exceptional and safe service to them as we do all of our customers across our utility operations.

Q. Please explain in more detail Spire's ability to provide economic and community support to the communities served by Piedmont.

A. As described above, Spire is committed to supporting the communities it serves and has proven that in its existing jurisdictions. Spire plans to support its Tennessee operations in the same manner that it has its other operations by investing in the community, expanding service to new areas, and providing its employees with opportunities to volunteer in the community. It is our goal to be seen in the community and trusted as a committed utility provider with a focus on bettering the communities we serve.

Q. Does Spire plan to invest in Tennessee?

A. Yes. As more fully described in the testimony of Company witness Mathis, Spire has the financial capability to prudently invest capital in the state of Tennessee and plans to expand natural gas service to new areas and attract new businesses to the state by providing a safe and reliable fuel source that businesses look for when siting new facilities.

Q. What authorizations is Spire seeking approval to transfer from Piedmont to Spire Tennessee?

A. Spire proposes that all existing rates, tariffs, service regulations, franchise approvals, and other regulatory authorizations currently in effect for Piedmont be adopted as the initial rates, terms, and conditions of service applicable to Spire Tennessee.

Q. Why is it appropriate to transfer these authorizations to Spire Tennessee?

A. There are two primary reasons why this approach makes sense and is appropriate in this situation. First, the plain language of Tennessee Code Annotated § 65-4-113(a), through its use of the phrase "authority to provide utility services, derived from its certificate of public convenience and necessity" in describing the provision of utility service in Tennessee, anticipates something more than a simple transfer of Piedmont's certificate of public convenience and necessity. Piedmont's authority to provide utility service in Tennessee necessarily includes its existing approved rates, tariffs, service regulations, franchise approvals and other regulatory authorizations defining how it must provide utility service to the public as established by prior Commission orders.

Second, a transfer of rates, tariffs, service regulations, franchise approvals, and other regulatory authorizations is necessary in order to allow for a smooth transition of service from Piedmont to Spire Tennessee without significant disruption and uncertainty regarding the terms and conditions upon which Piedmont's existing customers will continue to receive service from Spire Tennessee. Such disruption, which could result from the failure to allow Spire Tennessee step into the regulatory shoes of Piedmont, would be potentially chaotic and uncertain and contrary to the best interests of Piedmont's customers, the Commission and Spire Tennessee.

Q. Is there anything else you'd like to cover in your testimony?

A. While my direct testimony provides only a high-level overview of the operational capabilities of Spire, I hope it also demonstrates compelling support for the ability of Spire to step into the shoes of Piedmont and continue providing a similar level of exceptional service to Piedmont's Tennessee customers. Spire is a fully capable natural gas utility operator with a tremendous amount of experience providing safe and reliable service to our customers while advancing the areas we serve by expanding service to new homes and businesses and being actively engaged and supportive in the community.

Q. Does this conclude your pre-filed direct testimony?

A. Yes.

YONCE EXHIBIT 1

Confidential Document Filed Under Seal

YONCE EXHIBIT 2

SPIRE MISSOURI
COST ALLOCATION MANUAL APRIL 2024

Table of Contents

1. Purpose and Background

The purpose of this Cost Allocation Manual ("CAM") is to define Spire Missouri Inc.'s ("Spire MO") compliance with the Missouri Public Service Commission ("Commission") Affiliate Transactions Rules ("Rules") as established in 20 CSR 4240-40.015 and 4240-40.016, which are intended to prevent regulated utilities from subsidizing their affiliated operations and provide the public assurances their rates are not adversely impacted by Spire Missouri's affiliate activities. The Rules state the CAM should include the criteria, guidelines and procedures Spire MO will follow to be in compliance with the Rules, including cost allocation, market valuation and internal cost methods related to its transactions with affiliates (except with regard to HVAC services as defined in20 CSR 4240-40.017). Such methods and requirements are designed to ensure no financial advantage or preferential treatment occurs between Spire MO and its affiliates, especially as it relates to its customers' information. The CAM applies to those transactions between Spire MO and Spire Services Inc or between Spire MO and another affiliate but does not apply to transactions between affiliates that do not involve Spire MO.

The CAM should be viewed as an enduring document that establishes the broad allocation guidelines and costing principles to be used for the above-stated purposes. To that end, adjustments of the CAM should follow the procedures laid out in Section 11.C. Affiliate transactions that do not comply with the standards set forth in section 2(A) of the Rules may also be made if Spire MO determines to the best of its knowledge and belief that compliance with such standards would not be in the best interests of customers receiving regulated service, provided Spire MO complies with the notice, documentation, justification and other procedures set forth in Section (10) of 20 CSR 4240-40.015 and Section (11) of 20 CSR 4240-40.016.

As background for this CAM, in 2001 Spire Inc.'s predecessor, The Laclede Group, was formed as a parent company to facilitate the separation between the regulated utility, Laclede Gas Company, Spire MO's predecessor, and its non-regulated operations. As part of the Stipulation and Agreement approving the restructuring in Case No. GM-2001-0342, Spire MO agreed to conduct its affiliate transactions in accordance with a CAM submitted in that proceeding. Spire MO's affiliate transactions were ultimately made subject to the Commission's Affiliate Transactions Rules when those Rules were upheld upon judicial review.

Until more recently, Spire MO's most significant affiliate was Spire Marketing, previously Laclede Energy Resources. Because of various acquisitions made over the past five years; however, Spire Inc. is mostly composed today of regulated gas utilities, namely the western assets of Spire MO, previously Missouri Gas Energy, Spire Alabama Inc., previously Alabama Gas Corporation, and the two utilities under Spire EnergySouth Inc.: Spire Gulf Inc., previously Mobile Gas Service Corporation, and Spire Mississippi Inc., previously Willmut Gas & Oil Company. In addition to these regulated gas utilities, the Spire Inc. family also includes these subsidiaries: Laclede Development Company; Spire Resources LLC; Spire NGL Inc.; Spire Oil Services LLC; Spire Midstream LLC; Spire STL Pipeline LLC; Spire MoGas Pipeline LLC; Spire Properties Wentzville LLC; Omega Pipeline Company, LLC; Belle Butte LLC; Spire Storage West LLC; Spire Storage Salt Plains LLC; Laclede Insurance Risk Services Inc.; and Spire Services Inc.

In 2013, Spire MO became the first regulated utility in Missouri to have its CAM specifically approved by the Commission. Partly in response to the multiple acquisitions described above, Spire Inc. developed a shared services organization designed to provide common corporate services across the various subsidiaries in a competent and cost-effective manner. Spire Services Inc. ("Spire Services") was formed in 2017 to better facilitate this approach. Initially, Spire Services strictly acted as an accounting pass-through and transparent mechanism by which shared services costs could be appropriately allocated across operating units of the organization. Starting on January 1, 2023, shared services employees were transferred to Spire Services Inc., which now provides corporate support services to its regulated and unregulated affiliates. Such services include corporate shared services, shared support facilities, joint purchasing, and central cash management similar to those described in the Rules.

In Spire MO's 2017-2018 rate case (Nos. GR-2017-0215 and GR-2017-0216) which concluded in early 2018, Spire MO and other parties to that case recognized that Spire MO's CAM should be revisited and updated in light of the multiple recent significant acquisitions. In response, the Commission determined that ". . .the best way to accomplish that rewrite is to authorize a working group, comprised of Spire Missouri, Staff, Public Counsel, and any other interested stakeholders, to draft a proposed CAM for the Commission's approval." Amended Order, pp. 59-60. In its Amended Report and Order in Case No. GR-2021-0108, issued on November 12, 2021, the Commission ordered that the working group file a draft CAM for Commission approval no later than six months from the effective date of its order (May 23, 2022). The adoption of this updated CAM will satisfy the requirement of that Order.

2. Overview

The criteria, guidelines, and procedures in Spire MO's CAM utilizes several related documents to provide additional details on how the CAM effectuates certain processes, activities and allocation factors to provide customers with the public assurances their rates are not adversely impacted by Spire Inc.'s non-regulated activities. One of those documents is the Services and Facilities Agreement ("SFA"), which defines the relationship between Spire MO and Spire Services Inc., as well as other affiliates that wish to participate in affiliate transactions, and the procedures, terms and conditions for the provision of corporate shared services. These include, among others, shared corporate support services, shared support facilities, joint purchasing, and central cash management. Another is the Gas Supply and Transportation Standards of Conduct, agreed to and approved by the Commission in 2013. They define how various gas supply transactions of varying duration are to be conducted in a manner that complies with the purposes of the Rules, including the processes and procedures to be followed to ensure that purchases and sales of natural gas under contracts of different durations and types are made on a competitive basis. Finally, the annual CAM Report provides detailed and specific information relevant to the prior fiscal year in terms of the organizational structure, shared services functions, affiliate transactions, non-regulated activities of Spire MO, transfers of employees, and descriptions of any changes and adjustments to accommodate changes in business operations of Spire MO.

To ensure these goals are achieved, this CAM specifies in Section 5 the Costing Methodology that is used to price goods and services in accordance with the Rules. It addresses the Rules' standards relating to Fully Distributed Costs (FDC) and Fair Market Price (FMP) and their implementation under the variances proposed herein, including when and under what circumstances these asymmetrical pricing standards are applied. Similarly, in Section 6, the CAM describes the charging/allocation guidelines that are used to direct charge or allocate costs (including both direct and indirect costs) between operating units in a manner that properly reflects cost causation and the relationship between work being performed and the assignment of costs to operating units.

This CAM is appropriately considered a living document designed to adapt with the Company as it pursues opportunities to provide benefits to customers through growth and the sharing of relatively fixed costs with the allocation of common goods and services. Any changes to the Commission-approved CAM or the SFA will follow the procedures outlined in Section 11.C., Spire MO's waiver request for adjustments to the allocation guidelines, and principles in this CAM. This CAM, including all Appendices, and associated CAM Reports, will be submitted through the Commission's EFIS filing system in accordance with the timelines outlined in the Rules, including any waivers or variances to the Rules approved for Spire MO by the Commission. Upon official Commission approval of the CAM, any changes to the CAM will be submitted to Staff and OPC, in accordance with the procedures outlined in Section 11.C., as noted above, with full explanation and any associated supporting documentation.

This CAM also provides for a variance from, or waiver of, the Rules' requirements as to the contents and timing of fiscal year reporting, the Gas Supply Transportation Standards of Conduct, and the evidentiary standards for corporate support services provided by Spire Services Inc. and allocated to

Spire MO. Spire MO will seek, through the process outlined in Section (10) of 20 CSR 4240-40.015 and Section (11) of 20 CSR 4240-40.016, any necessary variance in the event it determines, to the best of its knowledge and belief, that making such a non-complying affiliate transaction is in the best interests of its customers who receive regulated service.

3. Services and Facilities Agreement (SFA)

Spire MO believes that the central management of certain services and the provision of certain services, facilities and other activities among Spire MO, Spire Services and other Spire MO affiliates is efficient and cost effective and therefore in the best interest of its customers. The purpose and intent of the SFA is to set forth procedures and policies to govern transactions involving corporate shared services, shared support facilities, joint purchasing and central cash management and other activities among Spire Services Company, other Spire affiliates, and Spire MO, whether such transactions occur directly or indirectly. The SFA establishes the procedures, terms and conditions regarding the provision of services, facilities and other activities. To the extent the SFA specifies terms and conditions for providing corporate shared services, facilities and other activities relating to Spire MO's regulated services, the SFA shall comply with the Commission's Rules, as implemented in accordance with the provisions of this CAM and shall not provide a preferential service (as defined by 20 CSR 4240-40.015(1)(H)). A copy of the SFA is attached hereto as **Attachment 1**.

The SFA will be reviewed by Spire MO on an annual basis to ensure that the policies and procedures in the SFA are designed and administered in a manner that, except as necessary or needed to provide corporate shared services as described in the SFA, ensures that no preferential service (as defined by 20 CSR 4240-40.015(1)(H)) is provided by Spire MO to any affiliate through its transactions under the SFA. In addition, the terms and conditions of the SFA will ensure that under no circumstances will the sharing of goods or services impair the reliability of the service provided by Spire MO. In the event that Spire MO desires to obtain any goods or services directly from an affiliate other than Spire Inc. or

Spire Services, Spire MO will enter into an agreement with that affiliate through the SFA or via a discrete written agreement for the particular transaction.

Spire MO will determine annually the appropriate level of services, facilities or other activities it requires from Spire Services and will make such requests as it deems appropriate for corporate support for services, facilities or cash management. A Party to the SFA may evidence their agreement with respect to the availability, provision or use of the facilities, services and activities by entering into an agreement, lease, license or other written memorandum or evidence consistent with the terms of the specific SFA. By requesting the use of facilities, equipment, resources, capabilities and/or services, a party shall be deemed to have agreed to pay, and shall pay, to the provider or providers the charge determined therefore in accordance with Commission rules, the CAM and the SFA. Charges for the use of facilities, equipment, capabilities, services or other resources shall be determined in accordance with the section below regarding cost methodology and shall include an appropriate allowance for related depreciation or amortization and a cost of capital (capital-related costs). Payment for such shall be accounted for monthly and shall accrue interest at the monthly average cost of short-term debt borrowing for that particular month if the payment is not made by the last day of the month following the month in which the service was rendered. The same interest rate will be applied to both payments to and from Spire MO.

4. No Preferential Treatment

Spire MO will not provide preferential service to an affiliate. As used herein, preferential service means information or treatment or actions by the regulated gas corporation which places the affiliated entity at an unfair advantage over its competitors. Except as necessary to provide corporate support functions, Spire shall conduct its business in such a way as not to provide any preferential service, information, or treatment to an affiliated entity over another party at any time.

A. *Asset Sales and Leases*

Spire MO shall not sell, lease, assign or transfer to Spire Services or any affiliate or third party any of its utility assets that are useful and necessary in the performance of its public utility obligations without obtaining prior Commission approval.

B. *Access to Customer Information*

Spire MO shall prohibit and shall not permit access by affiliates, subsidiaries, and third parties to customer specific information (including but not limited to, customer names, addresses, telephone numbers, social security numbers, customer account numbers, customer banking or financial institution information or other personally identifiable information as well as customer usage, billing information, payment history, or other customer account information, etc.) possessed by the utility unless specifically authorized by the customers in writing, see 20 CSR 4240-40.015(2)(C). Spire MO shall maintain all documentation of such customer authorizations and be able to present those to the Staff of the Missouri Public Service Commission and to the Office of the Public Counsel upon their request. All breaches of such customer information to affiliates, subsidiaries and/or third parties, regardless of their magnitude, will be reported to the Missouri Public Service Commission Staff and to the Office of the Public Counsel as soon as they are discovered by Spire MO.

C. *Customer Requests About Goods and Services*

Where requirements relating to customer requests for information concerning the goods and services provided by an affiliated entity are applicable, Spire MO will provide customers receiving regulated services in Missouri with a written disclaimer indicating that regulated services are not tied to the use of the affiliated entity and that other service providers may be available.

D. *Gas Supply and Transportation Transactions*

Where Spire MO purchases or sells gas or contracts for pipeline capacity, it will ensure that all providers and/or buyers of such goods and services are treated in a fair and non-preferential manner by following the competitive bidding and other requirements set forth in the Gas Supply and Transportation

Standards of Conduct attached hereto and the applicable affiliated transaction rule.

5. Costing Methodology

As previously stated, the purpose of the Rules is to prevent regulated utilities from subsidizing their affiliates and provide the public assurances that rates are not adversely impacted by the affiliate activities. As such, transactions for services and facilities among affiliate companies are priced according to standards that do not result in preferential service or a financial advantage for an affiliated entity. As per the Rules, financial advantage occurs in instances where the utility compensates an affiliate for goods and services at a price that is above the lesser of a Fair Market Price ("FMP") or the Fully Distributed Cost ("FDC") of the affiliate providing the goods or services, or in the instance the Company provides goods or services to an affiliated entity at a level below the greater of the FMP or the FDC. Prior to allocating costs, and subject to other pricing provisions like those contained in the Gas Supply and Transportation Standards of Conduct, Spire MO and its affiliates will ensure FDC reflects costs that are contained within any clearing accounts, as well as all appropriate overheads, and where applicable, capital-related costs, creating an "all-in cost."

For transactions involving utilities regulated by any state public service commission, it would not be reasonable nor appropriate to charge a price higher than cost to such regulated utility, as the other regulatory authorities, just like the Missouri Commission, would not allow profiteering at the expense of the utility they regulated. This also recognizes that such regulatory authorities, like the Missouri Commission, are assumed to be equally devoted to ensuring that such costs are prudent and are based on fully distributed costs. Under Spire MO's current CAM this concept that shared services should be allocated and charged based on fully distributed costs is already recognized. The Commission's affiliate transaction rules provide an additional safeguard, however, that is designed to ensure that costs and charges for transactions between affiliates are reflective of fair market prices as well. To ensure compliance with these rules, Spire MO shall engage in competitive bidding for any transactions (other than those involving purchases and sales of natural gas supply or capacity release, which shall remain subject to the Gas Supply and Transportation Standards of Conduct) between it and an affiliate, including Spire Services that is over $10,000 and take other steps to ensure that what is being charged or allocated between affiliates is reflective of both fully distributed costs and prevailing market prices. Where competitive bidding is not necessary or appropriate, the Company will demonstrate and document the Company's reasons why it did not engage in competitive bidding. Additionally, for affiliate transactions up to $10,000 between Spire Services Inc. and Spire MO and for personnel costs allocated from Spire Services Inc. to Spire MO, Spire MO requests a waiver of 20 CSR 4240-40.015(3) as detailed in Section 11.D.

In order to continue ensuring compensation for goods and services does not result in any unfair financial advantage, Spire MO, Spire Services, and any of their affiliates will gather adequate and appropriate market survey information, perform relevant pricing research, and issue Requests for Proposal (RFPs) to ensure costs paid for goods and services and other activities between Spire MO and affiliates are no higher than those found in the relevant market.

A. *Fully Distributed Costs ("FDC")* includes all direct, clearing, overhead, indirect, and capital-related cost. The FDC of facilities, goods or services means:

1. Spire MO's cost of labor (including all clearings and labor overheads, such as pensions and OPEBs), the rent or capital-related costs associated with the facilities used by such employees,(the depreciation or amortization expense on facilities and/or assets used by such employees, and debt and equity costs associated with any investments consumed in the process ofproviding the asset or service that would be directly attributed and charged to the asset or service); and

2. A reasonable allocated share of Spire MO's indirect joint and common labor and administrative and general costs. The actual application of FDC cost allocations

occurs through what is commonly called the "three-step" allocation method. This method begins with the premise that to the maximum extent practical, all costs which can be specifically attributed to a business segment are directly charged to that business segment. Secondly, indirect costs which cannot be directly charged are allocated to business segments based on a causal relationship. In the third step, any remaining costs which cannot be reasonably associated with a specific, identifiable, causal relationship shall be allocated using a general allocator as described below.

3. The FDC cost for services is thereby assigned to affiliates based upon the combination of direct and indirect costs, including clearings, overheads, non-productive time and capital-related costs, as well as allocated costs, to create an "all in" cost.

B. *Fair Market Price ("FMP").* The FMP of facilities, goods, or services means:

1. The price of an arms-length exchange for the same good or service for cash in the marketplace at or near to the date of the transaction. If there is evidence that the marketplace transaction was not conducted at arms-length (the amount at which facilities, goods or services would change hands between an unaffiliated willing buyer and seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts) or if there is evidence that the market price has changed materially between the date of the marketplace exchange and the date of the affiliate transaction, then the marketplace transaction cannot be used as the basis of determining the FMP in a transaction with an affiliate, unless appropriate adjustments are made to reflect such market changes.

2. In the absence of a cash transaction on which to base FMP, or in situations where

the cash transaction cannot be used as described in number one above, Spire MO will determine and document the FMP established by the transactions of other unaffiliated entities that have bought or sold the same or similar items in recent cash transactions under comparable terms and conditions.

a. Spire MO will ensure that the Human Resources or Procurement function of Spire Services Inc. will make reasonableefforts through market surveys or RFPs to ensure that the FDC allocated to affiliates for services provided by Spire MO falls within the range of prices charged for such services by outside companies or firms that engage in similar work. If the results of such surveys demonstrate that the costs charged by Spire MO for such services consistently fall below such range, then a prospective adjustment shall be made at the time of Spire MO's annual CAM Report filing to bring the amount allocated within the range. The results of the market surveys will be made available to the Staff and OPC as requested. The market survey performed by Spire MO will be updated at least once every two years.

3. In the absence of cash transactions made by Spire MO in the marketplace (number one above) and a lack of data about transactions by other entities (number two above), Spire MO can use benchmarking practices (20 CSR 4240-40.015 (3)(D) and 20 CSR 4240-40.016 (4)(D)), if approved by the Commission in a later CAM filing or other type of filing.

4. For costs and revenues generally subject to PGA/ACA recovery as gas supply and capacity release, refer to the requirements in **Attachment 2**, Gas Supply and Transportation Standards of Conduct.

C. *Evidentiary Standards:* In all transactions with affiliated entities involving the provision or receipt of information, assets, goods or services, Spire MO must demonstrate, unless a Commission approved variance or waiver applies, that:

- It considered and included all operating, capital-related, and other costs incurred to complete the transaction in its FDC analysis;
- It calculated the costs at times relevant to the transaction in its FDC analysis;
- It allocated all joint and common costs appropriately in its FDC analysis;
- It adequately determined, documented, calculated and explained the FMP of the information, assets, goods or services, including a description of the methods and procedures used to determine the current prices of these or related services in the competitive market; and,
- The dollar amount of the FMP and FDC will be readily discernible upon a review or audit of the transaction.

D. *Transfer Pricing/Costing Methodology for Energy-Related Goods and Services.* Transactions between Spire MO and its affiliates for energy-related goods and services for gas supply and capacity release will be priced and conducted in accordance with Attachment 2, Gas Supply and Transportation Standards of Conduct.

1. <u>Gas Supply and Transportation Standards of Conduct</u>. Consistent with the Unanimous Partial Stipulation and Agreement filed on July 16, 2013, in Case No. GC-2011-0098, Spire MO shall rely on its Gas Supply and Transportation Standards of Conduct for its affiliated gas supply and capacity release (Gas Transactions), including off-system sales.

2. <u>Gas Supply and Transportation Standards of Conduct Documentation</u>. Spire MO has included and shall continue to include its Gas Supply and Transportation Standards of Conduct as part of its CAM. For any updates to the Gas Supply and

Transportation Standards of Conduct, Spire MO shall request Commission approval and copies of any change shall be provided to Staff and OPC by submitting both a copy of the modified version, with changes accepted, and a draft version that shows the additions and deletions (track-changes).

6. Cost Charging/Allocation Guidelines

As noted above, costs are charged to affiliate entities based upon (1) Direct Charge and Apportionment, as it relates to charges specifically attributable to a single facility, good or service that contain itemized amounts that can be assigned to a single entity, (2) Indirect Cost, which is an allocation of costs for the benefit of multiple entities and can be assigned through specific allocation factors based upon cost causation principles, and (3) General Allocator, which is used to ensure the remainder of costs are allocated to those entities for which shared services are provided.

1. *Direct Costs* are those charges specifically attributable to a particular facility, good or service and shall be charged directly to the books and records of the affiliate who employed said facility, good or service using standard voucher account distribution procedures. Such charges will be visible in the accounting records through cash vouchers, invoices, or other source documents.

Amounts for direct labor (and related overheads) used in providing a service to an affiliate shall be charged based on time-keeping records for labor hours at departmental or organizational rates, with overhead rates applied. All charges for direct labor charges shall reflect a cost for non-productive time. The cost for non-productive time shall be based either on actual non-productive time incurred, or as adjusted on a departmental or organizational basis, to reflect estimated non-productive time derived from a periodic review. The cost for non-productive time reflects time incurred for vacations, holidays, and other paid absences. Overtime costs shall be reflected in the direct labor rates charged to a service. Direct labor shall be charged based either on the base and overtime pay amounts incurred or, as adjusted on a departmental or organizational basis, to reflect estimated overtime incurred based on an overtime review performed periodically. Many payroll-related costs are charged through separate journal entries via clearing account distributions that directly follow the payroll charged to the accounts of the affiliate and as described below.

For most employees, direct labor shall be charged under a positive time reporting methodology under which an employee shall enter hours each pay period for the amount of time incurred in performing the service. For any service where direct labor cannot be charged under a positive time reporting methodology, annual reviews shall be performed and documented to determine a normal distribution of time to said service. The distribution percentages derived from such reviews shall then be used to allocate time with respect to each pay period. For these departments or organizations, direct labor shall be charged to the service under an exception time reporting methodology. That is, significant deviations of actual activity from these predetermined percentages shall be reported and shall result in adjustments to the pre-determined distribution of direct labor charges to the affiliate functions. Spire MO will document all such deviations and provide such documentation to Staff and OPC upon request. Based on the time reported each pay period, any regular, pre-determined account distribution for the employee shall be adjusted to reflect the distribution of direct labor charges to the service. The predetermined distribution of direct labor charges will only be adjusted in the event there are ongoing changes to employees' distribution of time among affiliates.

2. *Indirect Costs.* As part of its annual CAM report, Spire MO will provide its indirect cost allocation methodologies, the current version of which is attached to this CAM as **Attachment 3**. Spire MO will also provide with its annual CAM report, a list and description of the specific allocators to be used and will fully detail any instances in which an individual

allocator has been determined to no longer be appropriate for use when allocating an expense and has been modified, added or eliminated. The current version of this list is included as **Attachment 4**. When costs benefit more than one entity, or when costs cannot be specifically associated with a particular activity, the costs shall be allocated as set forth in the details provided in the annual CAM report.

3. *General Allocator*. Some expense items that cannot reasonably be directly assigned and cannot also be reasonably allocated using any cost-causation allocation factor, it is common to combine three financial components to determine an allocation factor referred to as a general allocator (also known as a Massachusetts Formula or Three-Factor Formula). This three-component allocation factor is derived by calculating the percent of each affiliate's share of the total of each financial component. The three components which are included in the allocation factor are to be selected as the most reasonable factors on which the specific costs should be allocated. Spire MO currently uses a general allocator based on 1) fixed assets and investments, 2) revenues, and 3) direct payroll. These factors should be continuously monitored for fairness, relevance, reasonableness and appropriateness and, if the business or operational considerations supporting the propriety of the general allocator computation change materially and continued use of the allocation method results in an inequitable allocation of costs, Spire MO shall change one or more of the component factors, or add a new factor or factors, as soon as practicable, to ensure that the costs are being allocated on the most equitable and appropriate basis. Spire MO shall document the reason for the change and the reasons for the selection of new factors and provide information for the updated general allocator in its annual CAM Report so Staff and OPC are afforded the opportunity to review the appropriateness of any such routine update.

A current list of services shall be included as an appendix to the SFA, and a list of current functions providing shared services and specific allocation factors for their services shall be provided with each Annual CAM report. If the Company determines an allocation factor is no longer appropriate it will provide an explanation for its determination and detail how the allocator was modified or adjusted in its annual CAM Report so Staff and OPC are afforded the opportunity to review the appropriateness of any such a routine update. Each party shall be free at any time to propose changes to the calculation of the components used in Spire MO's FDC determination or the financial metrics to be included in the general allocator.

7. Annual Reporting

On an annual basis, Spire MO will submit a CAM report demonstrating the Company's compliance with the Rules. Spire MO and its affiliates shall adhere to reporting requirements of the Rules and maintain records of all procedures, allocation methods, and transactional data relating to sales and purchases of goods and services between Spire MO and its affiliates. Spire MO will provide a detailed monthly transactional ledger spreadsheet to Staff and OPC on a quarterly basis. Spire MO shall maintain the following information in a mutually agreed-to electronic format regarding affiliate transactions on a fiscal year basis established by the waiver approved in Case No. GE-2011-0171.

Specifically, Spire MO shall submit in its Annual Report:

1. A full and complete organization chart depicting the total family of all affiliated entities as defined by the Commission's Affiliate Transactions Rules within the Spire Inc. structure. For each non-regulated activity engaged in by Spire MO:
    - A description of all Spire MO functions that provide support and directly or indirectly assign costs to non-regulated affiliated business units, including Spire Inc.
    - The positions and number of employees providing each function.
    - The total dollar amount of revenues, expenses and investment for each non-regulated activity.

2. Where applicable, for each good and service provided to Spire MO by all affiliated entities or provided to all affiliated entities by Spire MO, Spire MO shall provide on a fiscal year basis:

   - The procedures to be used to measure and assign costs to non-regulated units for each function provided by Spire MO.
   - The transactional detail with monthly and annual dollar amount charged to each affiliate by Spire MO and the transactional detail with monthly and annual dollar amount of each service and good purchased by Spire MO from each affiliate.
   - A list and description of each good and service and the dollar amount, including the FERC USoA account charged.
   - A full and complete list of each contract entered by Spire MO with all affiliated entities, for which complete copies of contracts will be provided to Staff and OPC upon request.
   - A full and complete list of each affiliate transaction undertaken by Spire MO with all affiliated entities without a written contract together with a brief explanation of why there was no contract.

3. The basis used (e.g., FMP, FDC, etc.) to record each type of affiliate transaction:

   - For all FDC calculations, a description of the cost allocation process employed for each service and good and justification for the allocation method used unless otherwise addressed in this CAM.
   - For all FDC calculations, how direct, indirect and common activities are assigned for each service and good unless otherwise addressed in this CAM.
   - How the fair market price or value for each service and good is determined unless otherwise addressed in this CAM.

- A description of the criteria employed to determine whether volume discounts or other pricing considerations were provided by Spire MO to affiliates.

Recitation of the annual reporting requirements listed above is not intended to preclude the Staff or OPC from seeking additional information from Spire MO and its affiliates regarding any aspect of its compliance with the rules and the CAM at any time or to preclude Spire MO or its affiliates from objecting to the provision of such additional information. Staff, OPC, and Spire MO agree that the format and schedules of Spire MO's fiscal year 2023 CAM Report, filed with the Commission on December 15, 2023, complies with these reporting requirements and that future CAM Reports will utilize the same format and level of detail.

8. Record Keeping & Access Requirements

Spire MO and its affiliates shall maintain adequate books and records with respect to the transactions addressed by this CAM and the SFA in order to record the costs, payments and receipts to be assigned to Spire MO Services and other affiliates and as otherwise required by 20 CSR 4240-40.015(5). Spire MO shall be responsible for ensuring that all costs, payments and receipts associated with transactions covered by this CAM are properly and consistently assigned in accordance with the terms and provisions of the CAM and SFA. All contracts and agreements between Spire MO, Spire Services, and all other affiliates will be maintained and made available to Staff and OPC on mutually agreeable terms, during their effectiveness and for at least six years afterwards. Spire MO will maintain records supporting its affiliated transactions for at least six years or such longer period as might otherwise be required by other rules or laws.

In addition, Spire MO shall maintain on a fiscal year basis books of accounts and supporting records in sufficient detail to permit verification of compliance with the Rules and to substantiate the Annual CAM Report, and shall provide access to all information and personnel that may be requested by Staff, OPC, or party granted intervention in Spire Missouri's most recent general rate proceeding to audit individual transactions between it and its affiliates for purposes of ensuring Spire MO complies with the pricing and costing standards set forth in this CAM.

9. Training

Spire shall conduct training with all Spire MO and Spire Services supervisors and employees that allocate time and resources to or from Spire MO on the applicable provisions of the CAM that relate to their activities, including the policies and procedures that ensure compliance with the provision of this CAM and the SFA. Spire will utilize its training resources to create online training with mandatory annual review for the above noted employees to help further ensure compliance with this CAM and the Rules. Such training shall describe the basic purpose and goals of the affiliate transactions rules, the role of the CAM in complying with the Rules, allocation and pricing principles applicable to such transactions under the CAM, and what specific measures the employee should take to ensure the Company is in compliance with the CAM and Rules.

10. Tests/Reviews, Updates and Audits

Spire MO will ensure its Accounting function performs its requirements to make and review allocations, update organizational structure and allocation factors as necessary, and generate annual CAM Reports. As stated above, Spire MO will provide annual reporting containing the list of items more fully described above. Spire MO will update its allocation factors and the annual CAM Report as necessary for any material changes to Spire's businesses. All material contained within the report will be subject to review by all parties and will detail and explain all changes to organizational structure or adjustments to cost allocation policies and procedures. As appropriate, Spire MO will update its CAM to reflect changes to the criteria, guidelines and procedures it follows to be in compliance with the Rules and any changes will be filed with the Commission for approval.

Spire MO will ensure the Human Resources function of Spire Services Inc. performs its responsibilities, conducts market compensation surveys, provides a list of employees assigned or transferred, and assesses and reviews time studies/recurring allocations. Spire MO will have its market survey research updated at least once every two years.

Spire MO will ensure the Internal Audit function of Spire Services Inc. conducts audits concerning its compliance with the Rules, CAM, SFA and Gas Supply and Transportation Standards of Conduct and the affiliate transactions done pursuant thereto. Such audits shall be done no less often than every other calendar year. Audit results shall be provided to Staff and OPC when issued. Spire MO shall also file with its annual CAM submission, the internal audit plan for affiliate transactions.

If there is a dispute between Spire MO and any affiliate regarding a billing, representatives of all involved parties will meet to resolve the issues. Managers and other executives of the affected parties may also be consulted. If a resolution cannot be reached, the issue will be referred to senior management for final resolution. Documentation of disputes and resolutions will be maintained by Spire MO and provided to Staff and OPC upon request, including recommendations for any changes to policies, procedures, and processes that may be necessary to assure adequate protections for Spire MO on a moving forward basis.

11. Variances

A. *Fiscal Year Reporting*

Spire MO shall maintain its information regarding affiliate transactions in a mutually agreed-to electronic format and on a fiscal year basis. Consistent with the waiver approved in Case No. GE-2011-0171, Spire MO shall provide such information, in addition to the information required by 20 CSR 4240-40.015(4) to the Chief Staff Counsel, the Manager of the Auditing Department and to OPC on or before December 15th of each year by submitting an annual report to the non-case related portion of EFIS devoted to affiliate transaction submissions.

B. *Gas Supply & Transportation Standards of Conduct*

To assist in ensuring that gas supply and capacity release transactions between Spire MO and its affiliates are conducted in a manner fully consistent with the interests of the Company's utility customers, including their interest in having such transactions priced and accounted for in a reasonable and appropriate manner, Spire MO and other stakeholders have formalized standards of conduct and associated document requirements relating to such transactions. Such standards of conduct as previously approved by the Commission and modified herein, shall be used in the future, including the variance from the Affiliate Transaction Rule documentation requirements of FDC for such transactions.

C. *Adjustments to Allocation Guidelines & Principles in CAM*

Spire MO may make adjustments to the allocation or pricing guidelines and principles set forth in the CAM in the event it determines to its best knowledge and believes that application of the methodologies or costing principles described herein would not be in the best interests of its customers receiving regulated utility service. Such changes may include typical changes in ongoing business operations such as adding or subtracting affiliates (which could impact the need for a function to provide a certain service to an entity), or revising how a specific factor should be calculated, all of which will adjust how shared costs are allocated as a matter of "standard business." Such adjustments to the CAM should be accommodated provided they are identified in Spire MO's annual CAM report, together with an explanation of why such changes were made. Spire MO will submit its revised CAM for Commission review in the Company's next general rate case, at which time the routine adjustments may be challenged for appropriateness by Staff and OPC.

Other adjustments may be due to events beyond typical business matters, including major, fundamental shifts in the business, significant changes in market conditions or other factors affecting the continuing appropriateness or usefulness of a particular method or principle. If such events occur, and result in adjustments that comply with the standards set forth in the Rules, Spire

MO will make appropriate adjustments to the allocation guidelines and costing principles in its CAM and will provide, along with an explanation for any changes and supporting documentation, Staff and OPC timely notice to afford them the opportunity to review and challenge the appropriateness of any such change provided the change does not affect the rates currently being paid by Spire MO's customers between rate cases. If Staff or OPC do not object to any adjustments, the Company will note the adjustments in its CAM annual report, and will submit its revised CAM for Commission review in the Company's next general rate case. If Staff or OPC object to an adjustment, such party shall file a notice in a formal docket with the Commission advising of the challenge to the specific adjustment. Spire MO will file in such docket the proposed revised CAM. If the parties are unable to resolve their differences, the matter will be submitted to the Commission for its resolution. The failure by Staff or OPC to object to such an adjustment shall not preclude them from challenging the adjustment in a subsequent general rate case proceeding and proposing that the adjustment be modified or eliminated.

D. *Evidentiary Support for Corporate Support Services Provided by Spire Services Inc.*

Spire MO will be provided corporate support services, by Spire Services, Inc., as noted in the SFA. The shared services model employed by Spire and effectuated through Spire Services Inc. permits all operating units, including Spire MO, to save on joint and common administrative costs and to benefit from access to more robust technology and process platforms. It also provides a greater opportunity to attract a more diverse and talented workforce, thus enhancing service capabilities at a lower cost, through the sharing of those joint and common costs over multiple entities under a growing organization. As such, for transactions between Spire MO and Spire Services Inc. up to $10,000, and for personnel costs allocated from Spire Services Inc. to Spire MO, Spire MO requests a waiver from the evidentiary standards for affiliated transactions of 20 CSR 4240-40.015(3), which would reduce administrative requirements that would simply add cost and provide little if no benefit. For such affiliate transactions and personnel costs, Spire MO will utilize the FDC methodology as described in this CAM, verifying the reasonableness of the FDC calculations with the FMP for such transactions and costs using available market related information to the extent possible. The market related information is to be obtained through use of competitive bidding, market survey information, or price research, as feasible, with benchmarks to be updated when the Company at least once every two years. Spire Services Inc. was developed to reduce redundancies that were previously in the separate business, while maintaining or enhancing service levels to those businesses. As such, costs are incurred solely to ensure those services are provided capably and cost-efficiently without any additional margin added on top of the costs, whether an operating or capital-related cost.

12. Challenges

Nothing in Spire MO's CAM shall be construed as preventing the Staff, OPC or any other party from challenging whether the prices charged for specific transactions are consistent with the pricing methodology set forth in this CAM or the Commission's rules, or from suggesting changes in such methodology or in the allocation methodology used to assign costs between Spire MO and its affiliates during a case before the Commission. Staff and OPC may also challenge any non-complying affiliate transaction within the time set by the variance provisions of the Rules after the Company notifies the Commission, Staff, and OPC of such a transaction as required by the variance provisions of the Rules and any adjustment made by the Company to pricing, market value and allocation methodologies set forth in the CAM would be subject to review and challenge as set forth in Section 11.C.

Reserved for Attachment 1- SFA

Attachment 2

Gas Supply and Transportation Standards of Conduct

To assist in ensuring that energy-related transactions between Laclede Gas Company ("Laclede" or "Company") and its affiliates are conducted in a manner fully consistent with the interests of the Company's utility customers, including their interest in having such transactions priced and accounted for in a reasonable and appropriate manner, Laclede agrees to formalize and comply with the following standards of conduct and associated document requirements relating to such transactions:

A. Purchases of gas supplies for multi-month periods (purchases for longer than 1-month)

1. Laclede will acquire multi-month gas supplies in accordance with a competitive bidding process in which requests for proposals (RFP's) are submitted by Laclede to a list of eligible suppliers at the various supply locations connected to the pipelines on which Laclede holds firm transportation or through another competitive bidding process. For any exceptions to the competitive bid and award process, Laclede will have a documented process for the supply approval and award process, including (a) justification requirements, (b) authorization process, (c) contemporaneous documentation requirements (for internal Company information and external communications with suppliers), and (d) effective monitoring and controls.

2. Such RFP process shall be open to all gas suppliers who wish to bid.The intent is **to gain the broadest practical participation by eligible suppliers in submitting competitive supply bids for the supply location(s) where Laclede purchases gas**. Once such a process is reasonably developed and appropriately implemented and effectively monitored and controlled, the results of that process are intended to establish the fair market price for the purchase. Laclede shall provide with its annual CAM report submission an explanation of any credit, performance or other criteria that Laclede takes into consideration in determining which suppliers are sent RFPs as part of the RFP process.

3. In the event a gas supply contract for firm gas supply is awarded to an affiliate as a result of the RFP or other competitive bidding process, the affiliate shall be held to the same performance requirements as non-affiliated suppliers.

4. In the event a gas supply contract is awarded, Laclede shall maintain the following contemporaneous documentation: (a) any diversity, credit, or reliability-related volume limitations placed on the maximum volumes Laclede will purchase from an individual supplier or from any one supplier on a specific pipeline (broken down by baseload, combo, and swing); (b) an explanation of the diversity, credit and/or reliability-related reasons for imposing such limitations; (c) a description of the process used to transmit the supply request to all eligible suppliers, evaluate bids, and negotiate final prices and terms;

(d) a list of all suppliers that were sent each RFP;(e) a complete summary of all bids received and all prices accepted, together with copies of all underlying documents, contracts and communications; (f) a summary and explanation of suppliers disqualified for credit, performance or other criteria, and (g) a copy of the policy or procedure employed by Laclede for awarding contracts in instances where an affiliate and an unaffiliated supplier have offered identical pricing terms. For phone calls or texts, Laclede shall maintain contemporaneous logs documenting the discussions and decisions.

5. In the event a gas supply contract is awarded to an affiliate at a location in which no other contracts were awarded, the Company shall maintain contemporaneous documentation showing that the affiliate's bid price was equal to or lower than the bids received from non-affiliated suppliers, and that any upward or downward adjustment in the final contract price was justified by changes in the market.

6. In the event a gas supply contract is awarded to an affiliate at a location at which Laclede also awarded gas supply contracts to non-affiliated suppliers, the Company shall maintain contemporaneous documentation showing that the price established under the contract awarded the affiliate was within or lower than the range of prices established under contracts awarded to entities other than the affiliate.

7. If the affiliate's bid price or contract price does not meet the criteria in paragraphs 5 or 6, Laclede may not award the gas supply contract to the affiliate, unless the Company can demonstrate and contemporaneously document that a more favorable bid was rejected for legitimate reasons relating to the rejected bidder or bidders' creditworthiness, performance history (or lack thereof), or other consideration bearing on the fitness and reliability of the bidder to provide the requested service.

8. In the interests of optimizing the competitive benefits of the RFP process, the RFP will permit suppliers to propose alternative ways of satisfying the basic quantity, reliability, delivery and pricing terms of the RFP in addition to those specifically contemplated by the RFP, provided that the RFP shall explicitly advise suppliers that proposing such alternatives is permissible. The RFP may also utilize ranges for such quantity, reliability, delivery and pricing terms. In the event any such alternative produces a supply arrangement that is at least as favorable in its basic terms as other initial bids received by the Company during the RFP process then there shall be no need to rebid the proposed supply arrangement. In the event the Company itself makes a material change in the basic quantity, reliability, delivery or pricing terms of the RFP, or changes the range applicable to such terms, after initial bids have been received then the proposed supply arrangement shall be rebid.

B. Short term purchases of gas supply (one month or less)

1. The Company shall maintain contemporaneous documentation sufficient to establish that its short-term purchases of gas supply are acquired in accordance with a competitive bidding process, taking into account the terms and conditions, location and time at which the purchase was made.

2. The Company shall, within the next six months, develop a documented information exchange process where eligible suppliers will be notified of gas supplies that the Company may wish to purchase on a given day(s), and/or suppliers notify Laclede of supply and prices each is willing to offer. Such process may rely on instant messaging, emails, telephone calls, postings on a Company-developed website, awards made on an electronic trading platform (not just price discovery),or some other mechanism to notify bidders and/or Laclede. The intent is **to gain the broadest practical participation by eligible suppliers in submitting competitive supply bids for the supply location(s) where Laclede purchases gas**. Once such a process is reasonably developed and appropriately implemented and effectively monitored and controlled, the results of that process are intended to establish the fair market price for the purchase.

3. Emergency short term purchases of gas supply may also be made without following the competitive bidding procedure if necessitated by supply reliability considerations, provided that such purchases and the emergency circumstances are documented. Emergency conditions will include, but not be limited to, natural disasters, extreme weather events, well freeze-offs, curtailment of pipeline transportation or storage services, failure of supply, damage to or breakdown of Company facilities, changes in deliveries to the Company's take points that are beyond the Company's control, and other similar or unforeseen events affecting the availability of gas supplies. In the event short term purchases of gas supply are made on an emergency basis, nothing shall be construed as precluding Staff or OPC from raising an issue regarding the reasonableness of the emergency circumstances claimed by the Company and their effect on the propriety of the transaction.

4. For each and every gas supply inquiry and/or award, Laclede shall maintain the following contemporaneous documentation: (a) any diversity, credit, or reliability related volume limitations placed on the maximum volumes Laclede will purchase from an individual supplier or from any one supplier on a specific pipeline; (b) an explanation of the diversity, credit, and/or reliability-related reasons for imposing such limitations; (c) a description of the process used to transmit and/or receive supply notifications to eligible suppliers, evaluate bids/responses, and negotiate final prices and terms; (d) copies of all written communications and descriptions of all unwritten communications that solicit bids from suppliers; (e) a list of all suppliers that were notified of Laclede's gas supply needs;(f) copies of all bids/responses/ inquiries received and all prices accepted, together with copies of all underlying documents, contracts and communications; (g) a list of all suppliers disqualified for credit, performance or other criteria along with an explanation of the basis for each disqualification; and (h) a copy of the policy or procedure employed by Laclede for awarding contracts in instances where an affiliate and an unaffiliated supplier have offered identical pricing terms. For phone calls or texts, Laclede shall maintain contemporaneous logs documenting the inquiries, discussions and decisions.

C. Sales of gas supply also referred to as Off-System-Sales (OSS)

1. The Company shall maintain contemporaneous documentation sufficient to establish that its sales of gas were made at the fair market price for comparable sales, taking into account the terms and conditions, location and time at which the sale was made. The fair market price shall be determined pursuant to the process described below and any amount received for gas must be sufficient to cover: (i) the highest Cost of Gas Supply (CGS) on the pipeline on which the sale is made, as determined by the CGS schedule referenced in Laclede Gas Company's OSS tariff and as adjusted for any documented exceptions as permitted by such tariff; plus (ii) make some positive contribution to Laclede Gas Company's fixed gas supply costs.

2. The Company shall, within the next six months, develop a documented information exchange process where eligible bidders/buyers will be notified of gas supplies that the Company may have for sale on a given day(s). Such process may rely on instant messaging, emails, telephone calls, postings on a Company-developed website, awards made on an electronic trading platform (not just price discovery)or some other mechanism to notify bidders/potential gas buyers. The intent is **to gain the greatest reduction in gas costs for Laclede's customers consistent with maintaining a reliable supply of gas**. Once such a process is reasonably developed and appropriately implemented and effectively monitored and controlled, the results of that process are intended to establish the fair market price for the sale. For phone calls or texts, Laclede shall maintain contemporaneous logs documenting the inquiries, discussions and decisions.

3. Unsolicited OSS Requests— Laclede shall only accommodate unsolicited OSS requests where the Company can operationally provide such supplies without incurring any known penalty or detriment. Laclede shall maintain contemporaneous logs of all instances identifying where it has accommodated and/or refused such requests, including: the identity of the requesting counter-party; the date the request was made; the pricing and quantity of the gas supply requested; the awarded pricing, quantity, receipt/deliver point(s); and any other terms.

D. Releases of transportation or storage capacity by Laclede

1. All Laclede releases of pipeline transportation or storage capacity to an affiliate, including prearranged releases, must be effectuated by posting the release as biddable on the applicable pipeline's Electronic Bulletin Board ("EBB"). The Company shall maintain contemporaneous documentation sufficient to show that such release was made to an affiliate at the highest bid price (the posted release price is considered a bid price), on the pipeline's EBB for that release and that the amount received by the Company was at least sufficient to make a contribution to the Company's fixed pipeline reservation costs.

2. For pre-arranged releases to an affiliate of greater than a month and less than a year, the pre-arranged transaction shall be posted for two consecutive daily posting periods.

E. **Purchases of transportation and storage capacity from the capacity release market by Laclede** – All Laclede purchases of pipeline transportation or storage capacity from an affiliate must be effectuated by releasing and bidding for the capacity on the applicable pipeline's EBB. Laclede shall maintain contemporaneous documentation sufficient to show that the purchase price paid for such capacity was equal to or lower than the price of other comparable transportation alternatives available to the Company to meet the same resource needs. Laclede shall maintain contemporaneous documentation sufficient to show that the affiliate was given no preferential treatment over nonaffiliates. Resource needs will be fully documented by the Company and subject to review.

F. Purchase of unsolicited gas supply — Laclede shall only consider accommodating unsolicited requests for short-term purchase of gas supply where the Company can operationally take such supplies without incurring any known penalty or detriment. Laclede shall maintain a contemporaneous log of all instances identifying where it has accommodated and/or refused such requests, including: the identity of the requesting supplier; the date the request was made; the pricing and quantity of the gas supply offered; the awarded pricing, quantity, receipt/delivery point(s); and any other terms.

G. Negotiations with suppliers – Laclede shall conduct all negotiations with its gas commodity and pipeline suppliers independently and shall at no time seek to tie the terms of any arrangement to any action on the part of the other party that would favor a Laclede affiliate. Nothing herein shall prevent either Laclede or an affiliate from jointly attending customer meetings, events or other functions where multiple customers or suppliers are also present.

H. Off-System Sales (OSS) and Capacity Release Protocols
In recognition that markets for OSS and capacity releases can vary depending on weather and availability of supply and capacity options, and in recognition that Laclede holds firm capacity in areas not used to serve its native load and the reservation costs of that firm capacity is charged to Laclede's customers, Laclede will routinely evaluate its processes for soliciting potential buyers to maximize net revenues for OSS and capacity releases. Laclede will take necessary actions to assure reasonable participation by buyers of its OSS and capacity releases. Laclede will take necessary actions to assure documentation is developed and maintained to show compliance with its processes and procedures.

I. Document Retention – All documentation and records that must be maintained in accordance with the provisions of these Standards of Conduct shall be maintained for a minimum of six years.

J. Future Revisions – It is expressly understood that Laclede, the Staff, and the Office of the Public Counsel reserve the right to propose at any time prospective changes to these Standards of Conduct to reflect changing market conditions, the potential implementation of new regulatory or operational models for managing gas supply assets, or other developments that cannot be fully anticipated at this time. Any such change must be approved by the Commission before being implemented. See also Sections I. and V.C. of CAM.

K. Asset Management Arrangements/Agreements – The CAM and referenced Standards of Conduct do not pertain to Asset Management Arrangements/Agreements (AMAs).Accordingly, if Laclede Gas chooses to use one or more AMAs, Laclede Gas shall document fair market price and fully distributed cost as set forth in 4 CSR 240-40.015 and 40.016, unless and until changes to the CAM and these Standards of Conduct addressing AMAs are approved by the Commission.

PROCEDURES USED TO MEASURE AND ASSIGN COSTS TO NONREGULATED AFFILIATES AND THE HOLDING COMPANY FOR EACH FUNCTION

Function	Procedure
Non-capital Shared Services Allocations	Non-capital and SaaS development costs are collected at Spire Services using specific projects which dictate cost distribution and factor used for subsequent allocation to affiliated entities. See the "Non-Capital Costs* Allocated FROM Spire Services to Affiliates by Allocation Type" schedule for detail of distribution and factors used to allocate costs. Additionally, see Appendix A for factor and rate information.
Capital Shared Services Allocations	Capital shared services costs are collected using specific projects which dictate cost distribution and subsequent allocated through the Spire Services entity.
SaaS Development Shared Services Allocations	Software as a Service (SaaS) development shared services costs are collected using specific projects which dictate cost distribution and subsequent allocated through the Spire Services entity.
CAM Depr and ROI - EDP & Furniture & Fixtures	Depreciation costs for EDP system and furniture and fixtures are collected at Spire Missouri and allocated as a % of payroll to affiliates.
Insurance Premiums (Property, Liability, D&O)	Property and liability insurance premiums are allocated based on percentage of net plant and equipment, while D&O and others are allocated based on a 3-factor formula.
Missouri Employee Direct Charge Personnel Costs	Actual tracked time and related benefits and taxes charged as a % of payroll dollars based on a ratio developed from actual expenses on a monthly basis.

Attachment 4

Distribution	Factor
Company Wide	3 Factor
	Payroll*
	Square Footage - Combined
	Square Footage - 700 Mkt
	Square Footage - 800 Mkt
	Square Footage - Bhm
	IT Driver
	AP/Supply Chain Activity
	Stock Compensation
Gas Utility	3 Factor
	Payroll*
	IT Driver
	Customers
	System Miles
	Transmission
	Vehicle Count

Distribution	Factor
MO Utility/Non-Utility (excl SE Utilities)	3 Factor
	Payroll*
	IT Driver
MO Utility Only	3 Factor
	Payroll
	IT Driver
	Customers
	System Miles
	Transmission
	Vehicle Count

*Formerly used headcount which was estimated applying a 3 Factor rate w/different distributions based on the department; change occurring in FY24.

YONCE EXHIBIT 3

Confidential Document Filed Under Seal

YONCE EXHIBIT 4

Confidential Document Filed Under Seal

Brittany Mathis Direct Testimony and Exhibits

Before the
Tennessee Public Utility Commission

Docket No. 25-00074

APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC. AND SPIRE TENNESSEE INC. FOR APPROVAL OF A TRANSFER OF AUTHORITY TO PROVIDE UTILITY SERVICES PURSUANT TO T.C.A § 65-4-113 AND RELATED AUTHORIZATIONS

Direct Testimony
of
Brittany Mathis

On Behalf Of
Spire Tennessee Inc.

September 8, 2025

Q. Please state your name and business address.

A. My name is Brittany Mathis. My business address is 605 Richard Arrington Blvd N, Birmingham, Alabama, 35203.

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

A. I am employed by Spire Services Inc. as Chief Financial Officer ("CFO") for Spire Alabama Inc. ("Spire Alabama"), Spire Mississippi Inc. ("Spire Mississippi"), and Spire Gulf Inc. ("Spire Gulf"), which collectively comprise Spire's Southeast Utilities.

Q. Please describe your educational and professional background.

A. I received my Bachelor of Science in Accounting from Samford University, and my Master's in Taxation from the University of Alabama. After spending several years in corporate and consulting accounting positions, including at Price Waterhouse Coopers, I joined Alabama Gas Corporation ("Alagasco"), which was later acquired by Spire Inc. ("Spire" or the "Company"), in 2012 as a Senior Tax Accounting Specialist. I progressed to Manager, Operational Accounting before becoming Director of Accounting for the Southeast Utilities in 2020. Since January 2025, I have served in my current position as CFO for the Southeast Utilities, where I have direct responsibility for and oversee the finance and accounting functions of the Southeast Utilities, as well as customer payment processing for Spire company-wide, and billing for Spire's large commercial customers in the Southeast. I also provide financial leadership including key inputs on strategy and accountability for budgeting and execution. Finally, I am responsible for developing, fostering, and maintaining a positive and productive relationship with regulators and other external stakeholders, including meetings with Alabama Public Service Commission ("APSC") Staff and Commissioners.

Q. Have you previously testified before the Tennessee Public Utility Commission ("TPUC" or the "Commission") or any other regulatory authority?

A. I have not.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to support the Joint Application of Spire Tennessee Inc. ("Spire Tennessee") – a new wholly-owned subsidiary of Spire – and Piedmont Natural Gas Company, Inc. ("Piedmont") – a wholly-owned subsidiary of Duke Energy Corporation ("Duke Energy") – seeking approval from the Commission for Spire Tennessee to acquire Piedmont's property, operations, and authority to provide utility services in the State of Tennessee (the "Proposed Transaction") pursuant to the terms of the Asset Purchase Agreement ("APA") between them dated July 27, 2025. In doing so, I describe why the Proposed Transaction is in the best interest of Spire and would support its short and long-term business objectives.

Q. Do you have any exhibits to your testimony?

A. Yes. Exhibit 1 contains the rating agency reports of Moody's Investors Service ("Moody's") and Standard & Poor's Corporation ("S&P") for

Spire. Exhibit 2 is the investor presentation used to describe the Proposed Transaction. Both exhibits are attached at the end of my direct testimony.

I. Financial Stability of Spire

Q. Can you provide an overview of the financial organization and status of Spire?

A. Spire is a Fortune 1000 company with an enterprise value of approximately $9.7 billion. Spire was formed in 2000 and is the holding company for Spire Missouri Inc. ("Spire Missouri"), the Southeast Utilities, and other gas-related businesses. Spire Missouri is the successor company to Laclede Gas, which was formed in 1857, and Spire Alabama is the successor company to Alagasco which was formed in 1948 by the merger of two local gas companies. Spire is committed to transforming its business, pursuing organic growth, investing in infrastructure, and advancing through innovation.

The Company has three reportable business segments: Gas Utility, Gas Marketing, and Midstream. The Gas Utility segment includes the regulated operations of Spire Missouri and the Southeast Utilities. The Gas Marketing segment includes Spire Marketing Inc. ("Spire Marketing"), a wholly-owned subsidiary providing natural gas marketing services. The Midstream segment includes Spire STL Pipeline LLC, Spire MoGas Pipeline LLC, and Spire Storage (consisting of the operations of Spire Storage West LLC and Spire Storage Salt Plains LLC), which are subsidiaries engaged in the transportation and storage of natural gas.

Spire maintains a strong financial position, supported by consistent earnings growth, prudent capital investment, and a balanced approach to debt and equity. Spire's scale and financial stability allows us to invest in infrastructure modernization, adopt advanced technology, and weather market fluctuations, ensuring the systems we operate remain safe, reliable, and affordable.

Q. Please describe Spire's experience with acquisitions and integrations.

A. Spire has a 12-year history of growth through successful acquisition and integration of additional business units. The Company completed its first large scale acquisition when the Laclede Group (now known as Spire) purchased Missouri Gas Energy operating in Kansas City, Missouri in 2013. Since then, Spire has acquired Alagasco in central Alabama (2014), EnergySouth, including Mobile Gas in South Alabama and Willmut Gas in Mississippi (2016), Spire Storage West (2018) in Wyoming and Spire Storage Salt Plains (2023) in Oklahoma, and, finally, MoGas and Omega pipelines in Missouri (2024). Each transaction has had its own particular integration requirements (e.g., technology implementation), levels of synergies (e.g., employees in similar functions that may overlap) and deal structure (e.g., stock purchase or asset purchase). Our experience with a diverse portfolio of acquisitions and integration efforts gives us confidence that we will be able to adapt to the unique fact patterns of the Proposed Transaction.

Q. Please describe the Proposed Transaction.

A. As described above, the Proposed Transaction contemplates the transfer, as a going concern, of Piedmont's Tennessee property, operations, and authority to provide utility services in the State of Tennessee to Spire Tennessee for the stated purchase price of $2.48 billion in cash, subject to adjustment, including adjustments based on net working capital, regulatory assets and liabilities and capital expenditures at closing. The Proposed Transaction is supported by a fully committed bridge facility with BMO Capital Markets Corporation for the entire purchase price. The permanent financing plan is consistent with Spire's current credit ratings and will include a balanced mix of debt, equity and hybrid securities.

Q. How does the Proposed Transaction compare to other acquisitions Spire has successfully executed?

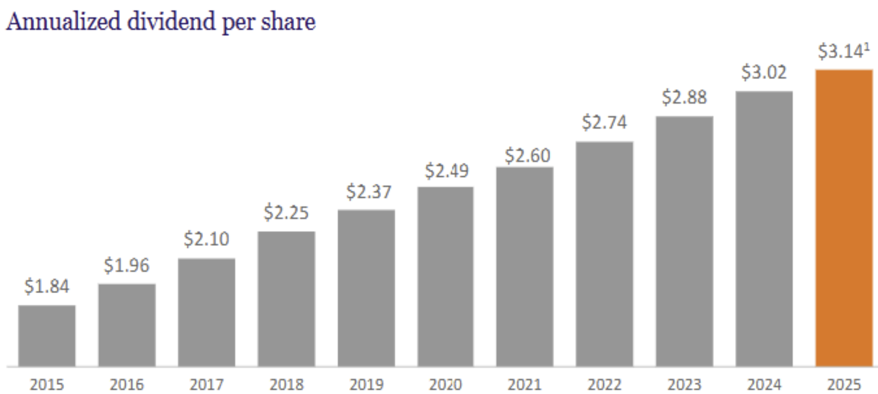
A. The Proposed Transaction will require technology integration since no applications or technology owned by Piedmont or Duke Energy will be retained by Spire Tennessee. Similarly, no Piedmont or Duke Energy shared services employees (such as those in Information Technology or Finance roles, for example) will be retained by Spire Tennessee. Discussion of the planned shared services functional support is more fully described in the testimony provided by Company witness David Yonce.

Q. Please describe the financial circumstances of the Proposed Transaction.

A. Financially, the Proposed Transaction provides for Spire Tennessee to acquire Piedmont's property, operations, and authority to provide utility services in the State of Tennessee on a cash-free, debt-free basis. Although the purchase price includes no debt, Spire does not intend to materially change the existing capital structure of the utility, as it believes it is currently established with a prudent balance of debt and equity in light of current market conditions. This will include issuing new operating company debt at Spire Tennessee in nearly the same amount as the debt that was allocated to Tennessee from Piedmont, adjusted for capital deployed between approval and closing of the contemplated transaction. The remainder of the financing will take place at the Spire holding company level and will consist of some combination of common equity, equity-linked and hybrid securities. Equity will be contributed down to Spire Tennessee consistent with how Spire manages the capital structures of our other utility operating companies. These utility operating companies have capital structures that consistently have had equity layers in the 50-55% range reflective of risks faced by the operating companies.

Q. Please discuss Spire's key financial metrics and financial trends.

A. Spire's stable earnings growth is demonstrated by its 22 years of consecutive dividend increases and 80 years of continuous payments, as partially depicted in the table below. This dividend is upstreamed from the utilities, and the increase has been supported by long-term earnings growth between 5-7%.



Further, it is our view that the Company has adequate access to credit and capital markets and will have sufficient liquidity and capital resources, both internal and external, to meet anticipated requirements. Our debt is rated by two rating agencies: S&P and Moody's. The debt ratings of the Company, Spire Missouri and Spire Alabama (shown in the following table) remain at investment grade with a stable outlook for Moody's. S&P ratings also remain at investment grade but recently shifted to a negative outlook as a result of the acquisition announcement. See Exhibit 1 for the recent rating agency reports from Moody's and S&P for Spire.

	S&P	Moody's
Spire Inc. senior unsecured long-term debt	BBB	Baa2
Spire Inc. preferred stock	BBB-	Ba1
Spire Inc. short-term debt	A-2	P-2
Spire Missouri senior secured long-term debt	A	A1
Spire Alabama senior unsecured long-term debt	BBB+	A2

Q. Discuss the credit metrics of Spire after the transaction and assess how that fits in with the standard credit metrics used by rating agencies.

A. Spire has been in regular contact with both of our ratings agencies regarding the transaction. Both the debt financing and the purchase price were carefully sized to maintain Spire's investment grade credit rating from both agencies. Spire's utility subsidiaries also maintain their own standalone ratings for operating company debt financing. Those ratings are generally higher than the Spire holding company rating.

Q. What are the implications of the Proposed Transaction on the credit rating of Spire?

A. While S&P has changed its outlook on Spire, Spire Missouri, and Spire Alabama to negative as a result of the acquisition announcement, Spire does not anticipate any downgrade in ratings associated with this transaction.

Q. Can you compare the credit ratings of Duke Energy with Spire?

A. Yes. Currently, Spire and Duke Energy share the same ratings with both S&P (BBB+) and Moody's (Baa2). More specifically, the ratings of Piedmont debt, which is allocated to Tennessee, are BBB+ with stable outlook from S&P and A3 with stable outlook from Moody's.

Q. Please describe Spire's current capital plan.

A. Spire has a robust capital expenditure program totaling $7.4 billion over the coming ten years, focused on investments in new business and pipeline upgrades for our gas utilities. Spire assesses that Piedmont's growing Nashville service territory is ripe with opportunities for new business investment and will be allocating capital toward these efforts, seeking to balance growth of the system and customer affordability.

Q. Can you describe Spire's debt and equity programs?

A. Yes. Spire has a robust financing program that ensures a healthy mix of debt (both short- and long-term) and equity is available to fund capital investments while maintaining strong credit metrics and ratings.

Q. Please discuss Spire's short-term debt.

A. Spire, Spire Missouri, and Spire Alabama have a syndicated revolving credit facility pursuant to a loan agreement with 12 banks through October 11, 2029. The loan agreement has an aggregate credit commitment of $1.5 billion, including sublimits of $525 million for the Spire holding company, $700 million for Spire Missouri, and $275 million for Spire Alabama. These sublimits may be reallocated from time to time among the three borrowers within the $1.5 billion aggregate commitment, with commitment fees and interest margins applied for each borrower relative to its credit rating. Spire may use this line to provide for the funding needs of various subsidiaries. The agreement also contains financial covenants limiting each borrower's consolidated total debt, including short-term debt, to no more than 70% of its total capitalization. As defined in the line of credit agreement, on June 30, 2025, total debt was less than 65% of total capitalization for each borrower. There were no borrowings against this credit facility as of June 30, 2025.

Spire has a commercial paper program ("CP Program") pursuant to which it may issue short-term, unsecured commercial paper notes. Amounts available under the CP Program may be borrowed, repaid and re-borrowed from time to time, with the aggregate face or principal amount of the notes outstanding under the CP Program at any time not to exceed $1.5 billion. The notes may have maturities of up to 365 days from the date of issue.

Information about short-term borrowings, including Spire Missouri's and Spire Alabama's borrowings from Spire, is presented in the following table. As of June 30, 2025, $486.6 million of Spire's CP Program borrowings were used to support lending to the Utilities, with the remainder utilized by other subsidiaries.

	Spire (Parent Only)	Spire Missouri		Spire Alabama	Spire
	CP Program	Term Loan	Spire Note	Spire Note	Consol-idated
Nine Months Ended June 30, 2025					
Highest borrowings outstanding	$ 1,223.0	$ —	$ 615.0	$ 73.2	$1,223.0
Lowest borrowings outstanding	896.0	—	299.5	1.2	896.0
Weighted average borrowings	1,058.7	—	485.9	42.1	1,058.7
Weighted average interest rate	4.5%	0.0%	4.8%	4.8%	4.5%
As of June 30, 2025					
Borrowings outstanding	$ 1,009.5	$ —	$ 398.7	$ 56.4	$1,009.5
Weighted average interest rate	4.3%	0.0%	4.7%	4.7%	4.3%
As of September 30, 2024					
Borrowings outstanding	$ 947.0	$ —	$ 495.3	$ 48.4	$ 947.0
Weighted average interest rate	5.2%	0.0%	5.2%	5.2%	5.2%
As of June 30, 2024					
Borrowings outstanding	$ 771.0	$ —	$ 418.3	$ 23.0	$ 771.0
Weighted average interest rate	5.6%	0.0%	5.6%	5.6%	5.6%

Q. Please discuss Spire's long-term debt.

A. At June 30, 2025, Spire had outstanding principal of long-term debt totaling $3.91 billion, of which $1.97 billion was issued by Spire Missouri, $750 million was issued by Spire Alabama, and $216 million was issued by other subsidiaries.

Q. Please describe Spire's ability to raise equity.

A. Spire has a shelf registration statement on Form S-3 on file with the U.S. Securities and Exchange Commission ("SEC") for the issuance and sale of up to 250,000 shares of common stock under its Dividend Reinvestment and Direct Stock Purchase Plan. There were 201,102 shares and 218,141 shares available under this plan on June 30, 2025, and September 30, 2024, respectively. Spire and Spire Missouri also have a universal shelf registration statement on Form S-3 on file with the SEC for the issuance of various equity and debt securities, which expires on May 7, 2028.

Under Spire's "at-the-market" ("ATM") equity distribution program and as authorized by its board of directors, Spire may offer and sell, from time to time, shares of its common stock (including shares of common stock that may be sold pursuant to forward sale agreements entered into in connection with the ATM equity distribution agreement). Settled sales under this ATM program are included in "Common stock issued" in the Condensed Consolidated Statements of Shareholders' Equity. As of June 30, 2025, under the ATM Program, Spire may sell additional shares with an aggregate amount up to $123.6 million.

Q. Does Spire have a current equity layer.

A. Yes. Factoring in the current portion of long-term debt, the Company's long-term consolidated capitalization consisted of 47% equity at June 30, 2025, and 46% equity at September 30, 2024, respectively. As is typical of utility holding companies, the equity ratios of the Spire operating utilities are somewhat more robust than the equity ratio of the holding company.

II. <u>Financial Implications for Tennessee Customers</u>

Q. What will be the financial implications for Tennessee customers as a result of the Proposed Transaction?

A. Spire's goal throughout this process is for there to be very limited, if any, financial impact to Tennessee customers as a result of the Proposed Transaction. As stated above, we plan to issue new operating company debt at Spire Tennessee in nearly the same amount as the debt that was allocated to Tennessee from Piedmont. Current rate trends suggest the interest rate on this debt may be higher than that of the historical debt at Duke Energy/Piedmont. However, that risk is mitigated by the fact that Spire has proposed to adopt Piedmont's existing rates (which are built on Piedmont's capital structures and debt rates), pending further action by the Commission.

Q. How does Spire plan to handle any acquisition premium as a result of the Proposed Transaction?

A. The purchase price agreed to in the APA is reflective of a rate base multiple that compares favorably with other recent transactions in the LDC space. Spire does not expect to recover any acquisition premium in customer rates. As explained above, the Proposed Transaction premium is expected to be neutral to the Spire Inc. credit rating.

Q. What are the estimated transaction costs and what is the regulatory proposal underlying the treatment of such costs?

A. We are still collecting and quantifying transaction costs, which include corporate costs such as advisor fees, financing fees, legal fees, and antitrust application fees. We do not intend to seek rate recovery of any of these fees. However, we may seek to recover reasonable and prudent due diligence costs for the Proposed Transaction or legal fees relating to required Tennessee regulatory approvals and Tennessee operating company capitalization/financing in rates at a later date.

Q. What are the anticipated transition costs resulting from the Proposed Transaction?

A. Anticipated transition costs include integration consultants and the costs of obtaining required regulatory approvals. The integrations will also require technology systems migrations/upgrades. The costs of any new technology systems or system enhancements needed to serve utility customers are expected to be recovered in rates either via direct charge to the operating company utilizing the systems, or proportionally in accordance with the Company's Cost Allocation Manual as described in Company witness Yonce's testimony, to the extent such systems support utility service across multiple jurisdictions.

Q. Are any synergies expected from the Proposed Transaction?

A. While we do not expect significant financial synergies to result from the Proposed Transaction, it is anticipated that upon the full integration of

Piedmont assets, operations, and personnel, additional cost savings opportunities may arise. With that said, in the future, we expect the cost to serve to be no greater than it is currently for Piedmont customers.

Q. Is there anything else you would like to convey to the Commission regarding the Proposed Transaction?

A. Yes. As I hope I've fully described throughout my testimony, Spire is a capable owner/operator for Piedmont's property and operations in the State of Tennessee and has the financial strength to maintain safe and reliable service for customers while also investing in infrastructure and expanding service to new customers. Spire considers Piedmont's Tennessee operations to be a significant addition to its portfolio of companies and looks forward to extending our relationships with the Commission and the Consumer Advocate Division of the Office of the Tennessee Attorney General, and the broader community in Tennessee. Nashville will continue to benefit from a significant local presence from Spire and a commensurate investment in the community we serve.

Q. Does this conclude your pre-filed direct testimony?

A. Yes.

MATHIS EXHIBIT 1

MOODY'S RATINGS

CREDIT OPINION
5 August 2025

Update

Send Your Feedback

RATINGS

Spire Inc.	
Domicile	St. Louis, Missouri, United States
Long Term Rating	Baa2
Type	Senior Unsecured - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Spire Inc.

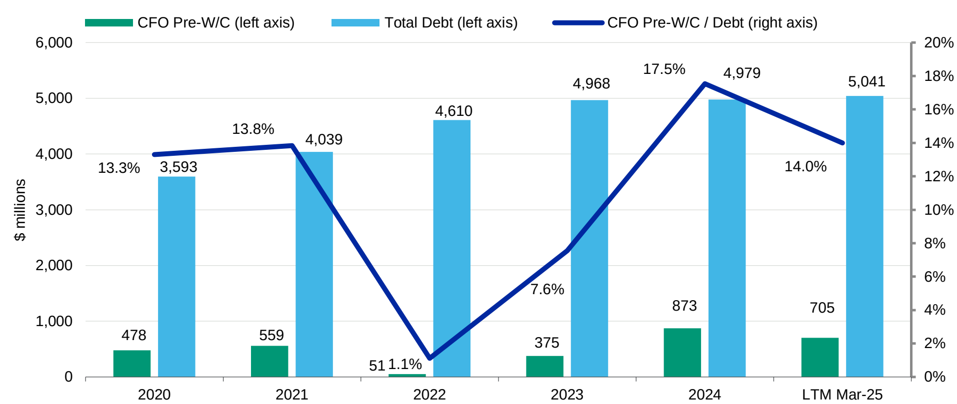
Update following ratings affirmation

Summary

Spire Inc.'s credit profile reflects the low risk business profile of its portfolio of natural gas local distribution companies (LDCs), the generally supportive regulatory environments in which they operate with several timely cost recovery mechanisms and typically stable cash flow generation, notwithstanding the cash flow volatility experienced over the last two years. Spire's credit quality is constrained by elevated levels of capital investments at its utilities that will require additional debt financing. The company is also owns and operates modest unregulated businesses, including midstream and natural gas marketing, that increase its business risk profile.

Spire's credit also reflects the structural subordination of the parent company leverage relative to its subsidiaries, with around 26% of consolidated debt sitting at the holding company. Excluding the temporary impact of a planned acquisition next year, we expect Spire to produce a ratio of cash flow from operations before changes in working capital (CFO pre-WC) to debt in the 13%-14% range.

Exhibit 1
Historical CFO Pre-WC, Total Debt and CFO Pre-WC to Debt



All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Periods are fiscal year-end unless indicated. Spire Inc.'s fiscal year ends on 30 September. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Recent development

On 30 July 2025, we affirmed Spire's ratings with a stable outlook. This rating action was prompted by Spire's announcement on 29 July that it had agreed to acquire Piedmont Natural Gas Company, Inc.'s (Piedmont, A3 stable) Tennessee gas assets ("Piedmont Tennessee") for around $2.48 billion including approximately $785 million of existing utility debt. The transaction would be Spire's first acquisition in Tennessee, an expansion from its existing LDC footprint in Missouri, Alabama, and Mississippi. Piedmont Tennessee will comprise approximately 25% of Spire's consolidated rate base after transaction close.

At the same time, Spire announced an intent to explore the sale of its gas storage assets. Although modest, the divestiture of storage assets would reduce Spire's exposure to non-regulated businesses such that EBITDA from unregulated subsidiaries would account for around 5% of total pro-forma EBITDA, down from around 10% currently. Spire would deploy any proceeds from a non-core asset sale to partially fund the Piedmont Tennessee acquisition. The remainder of the purchase price is expected be funded in a credit supportive manner, mainly with equity and hybrid instruments.

While Spire’s credit metrics are expected to weaken in 2026 due to the assumed debt and loss of storage earnings, they are projected to recover by the end of 2027, with CFO pre-working capital to debt returning to the 13%-14% range.

Credit strengths

» Low-risk business profile as a holding company of predominantly regulated natural gas local distribution companies

» Credit supportive regulatory environments in Missouri and Alabama

» Typically stable cash flow generation supported by several timely cost recovery mechanisms

Credit challenges

» Acquisition of Piedmont Tennessee will temporarily weaken credit metrics in 2026

» Utility capital investment programs remain elevated

» Substantial parent debt levels that are expected to remain at or below 30% of consolidated debt

» Higher-risk gas marketing and midstream operations increase business risk

Rating outlook

Spire's stable outlook reflects our view that the regulatory environments in Missouri, Alabama (and now Tennessee) will remain credit supportive and incorporates the existing regulatory provisions in these states including the use of timely cost and investment recovery mechanisms for its LDC subsidiaries. The stable outlook considers the consolidated financial profile such that Spire's ratio of CFO pre-W/C to debt will return to the 13%-14% after the Piedmont Tennessee acquisition is fully absorbed.

Spire's stable outlook also incorporates our assumption that the company will finance the Piedmont Tennessee acquisition mostly with equity and hybrid securities such that leverage is not increased materially; that it will not increase unregulated investments beyond current expectations (i.e., maintaining unregulated activities at or below 10% of EBITDA) or execute any shareholder friendly activities that will be detrimental to the credit quality of the corporate family.

Factors that could lead to upgrade

An upgrade is unlikely until the Piedmont Tennessee acquisition closes, the new subsidiary is fully absorbed into the Spire organization and financial metrics begin to recover. Spire could also be upgraded if holding company debt is reduced to less than 25% of consolidated debt and its financial performance improves such that its ratio of CFO pre-W/C to debt increases to 16% on a sustained basis.

An upgrade could also be considered for Spire if the regulatory environments in which its subsidiaries operate become more highly credit supportive through additional recovery mechanisms and either of its major utility subsidiaries is upgraded. A rating upgrade for Spire is predicated on the company not significantly increasing its parent level debt as a proportion of consolidated debt that would result in increased financial risk.

Factors that could lead to downgrade

Spire could be downgraded if the Piedmont Tennessee acquisition ends up being financed primarily with debt, the degree of regulatory support declines materially, particularly in Missouri which is where its largest subsidiary operates, or if the company's financial profile were to remain weak beyond 2026 including a ratio of CFO pre-W/C to debt remaining below 13%.

Spire could also be negatively pressured if business risk related to the non-utility operations increases due to incremental leverage resulting from additional acquisitions, increased unregulated business investments, or if Spire undertakes aggressive debt financed shareholder friendly activities such that the risk profile of the corporate family deteriorates.

Key indicators

Exhibit 2
Spire Inc.

	2020	2021	2022	2023	2024	LTM Mar-25
CFO Pre-W/C + Interest / Interest	4.7x	5.6x	1.4x	2.8x	4.7x	4.1x
CFO Pre-W/C / Debt	13.3%	13.8%	1.1%	7.6%	17.5%	14.0%
CFO Pre-W/C – Dividends / Debt	9.5%	10.3%	-2.1%	4.4%	14.0%	10.3%
Debt / Capitalization	55.4%	56.1%	57.7%	58.3%	56.0%	54.1%

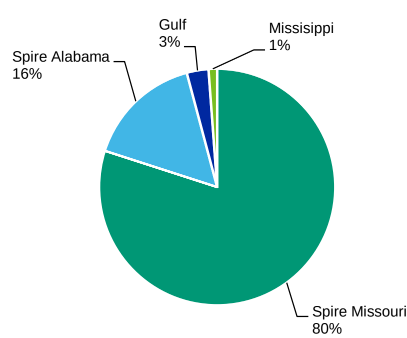
All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Periods are fiscal year-end unless indicated. Spire Inc.'s fiscal year ends on 30 September. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Profile

Spire Inc. is a utility holding company based in St. Louis, Missouri. Spire's principal operating subsidiary is Spire Missouri Inc., (A1 First Mortgage Bonds, stable) a regulated natural gas local distribution company serving almost 1.7 million customers, primarily residential, in the eastern and western part of Missouri, including the cities of St. Louis and Kansas City. Spire Missouri represents around 80% of Spire's consolidated rate base. Spire Missouri is regulated by the Missouri Public Service Commission (MPSC).

Spire's second largest operating subsidiary is Spire Alabama Inc. (A2, stable), the largest regulated natural gas local distribution company in Alabama serving over 430,000 customers. Spire also owns Spire Gulf and Spire Mississippi, which are small LDCs in Alabama and Mississippi, respectively. The Alabama utilities are regulated by the Alabama Public Service Commission (APSC) and Spire Mississippi is under the purview of the Mississippi Public Service Commission.

Exhibit 3
Spire's rate base is concentrated in its largest subsidiary, Spire Missouri As of 31 December 2023



Source: Company filings

Spire's non-utility business consist mainly of midstream, marketing, and storage. Spire Midstream owns and operates two FERC regulated natural gas pipelines, STL Pipeline and MoGas Pipeline, which are both highly contracted with Spire's LDCs as majority off-takers. Spire Marketing is involved in the marketing of natural gas and gas services to more than 250 retail customers and 120 wholesale customers across the US. We view these operations as having much higher business risk due to the commodity price exposure and potential liquidity requirements. Spire Storage is small but growing, and engages in the storage of natural gas in Wyoming and Oklahoma.

Detailed credit considerations

Piedmont Tennessee acquisition is expected to be supportive of current credit profile, despite near-term pressure on credit metrics

In July 2025, Spire announced an agreement to acquire Piedmont Natural Gas Company's Tennessee gas assets for approximately $2.48 billion, including $785 million in existing utility debt. Spire expects the transaction to close during the first half of 2026, subject to Tennessee Public Utility Commission (TPUC) approval and Hart-Scott-Rodino review. Piedmont Tennessee will enhance Spire's geographic and regulatory diversity, while the expected use of credit supportive financing and a non-core asset sale to partially finance the transaction should support the current credit profile despite near-term pressure on financial metrics in 2026.

The transaction would mark Spire's entry into Tennessee and expands its LDC footprint beyond existing operations in Missouri, Alabama and Mississippi. Post-acquisition, Piedmont Tennessee will represent roughly 25% of Spire's consolidated rate base. We view Tennessee to be a credit supportive regulatory jurisdiction with formulaic-like rate making under the Annual Review Mechanism (ARM), which enhances the stability and transparency of cash flows. Piedmont Tennessee is authorized a 9.8% ROE, which is slightly above the authorized LDC industry average of 9.7%.

Simultaneously, Spire plans to explore the divestiture of its gas storage assets, which would reduce its consolidated exposure to non-regulated businesses. Proceeds from a non-core asset sale would help fund the acquisition, alongside mainly equity and hybrid instruments. Spire's holding company debt level should remain stable and within our expectation that it will remain below 30% of consolidated debt.

For the last twelve months (LTM) ended 31 March 2025, Spire's ratio of CFO pre-WC to debt was around 14%. We expect the company's credit metrics to weaken considerably in 2026 after it assumes approximately $785 million of debt associated with the acquisition. In addition, Spire would lose the earnings contribution from its storage businesses if that asset is divested. However, after a full year of cash flow from Piedmont Tennessee is realized by the end of 2027, we expect Spire's pro-forma CFO pre-WC to debt to be around 13%-14%. We see this level as supportive of the current Baa2 credit rating, albeit weakly positioned compared to our current stated downgrade threshold of 13%, limiting the holding company's financial flexibility.

Low business risk profile with LDCs in historically supportive regulatory environments

As a holding company of regulated LDCs that contribute over 90% of consolidated cash flow, we view Spire as having a lower business risk profile than many peer regulated utility holding companies. LDCs typically have limited risk exposure to volume and/or price volatility of natural gas distributed to customers. They also generally have a more stable residential customer base and lower operating complexities when compared to vertically integrated electric utilities. The latter may have more exposure to price sensitive industrial customers and operate various types and vintages of power generation assets. In addition, LDC's do not encounter the operating risks related to power generation and the higher capital expenditures, particularly strict environmental mandates, that such generation usually entails.

We view the Missouri and Alabama regulatory environments to be generally supportive of Spire's LDCs credit quality mainly through regulatory frameworks that include several timely cost and investment recovery mechanisms allowed by the MPSC and APSC. This includes Alabama's Rate Stabilization and Equalization (RSE) framework that provide formulaic rate recovery. These mechanisms typically result in a high degree of predictability and stability in Spire's consolidated cash flow generation, which also helps to mitigate any earnings and cash flow volatility from Spire's modest unregulated activities.

The legislative and regulatory environment in Missouri has shown improvement after some inconsistency historically. In April 2025, the Missouri legislature passed Senate Bill 4 (SB4), which permitted the implementation of a future test year for gas and water utilities. However, until the new rate structure is implemented, the use of historical test years in Spire Missouri's outstanding rate case and limited interim cost recovery mechanisms will continue to contribute to some regulatory lag.

Parent level debt constrains credit quality across corporate family

At roughly 26% of consolidated long-term debt, Spire's holding company leverage, although lower than in prior years, remains substantial and increases the financial risk of the entire corporate family. As such, the holding company debt constrains the credit profiles of both Spire Missouri and Spire Alabama. Spire's parent debt has been historically utilized to fund acquisitions. More recently, holding company debt has been mainly used to finance the company's non-utility businesses, which provide cash flow to help service this debt, although this can be volatile from year to year.

There are no significant legal ring-fencing provisions (e.g. independent directors, minimum equity requirements) that provide additional utility credit protection in the unlikely scenario of a Spire bankruptcy. Moreover, Spire Alabama and Spire Missouri do not have their own revolving credit facilities as their respective short-term borrowing availability comes from the parent's credit facility. However, both Spire Missouri and Spire Alabama are required to get preapproval from their respective regulators before they issue debt. We expect that the company will continue to focus on reducing debt at the parent over time, consistent with management's public comments that it intends to do so.

Modest non-utility exposure adds risk to the overall business profile

Spire's non-utility businesses account for around 10% of average consolidated earnings. Although earnings and cash flow from these businesses can be more volatile, they generate some cash flow. On 29 July, Spire announced an intent to evaluate the sale of its gas storage assets. Spire Storage is small but has been growing, and engages in the storage of natural gas in Wyoming and Oklahoma. The divestiture of these assets would reduce Spire's exposure to non-regulated businesses such that EBITDA from unregulated subsidiaries would account for around 5% of total pro-forma EBITDA.

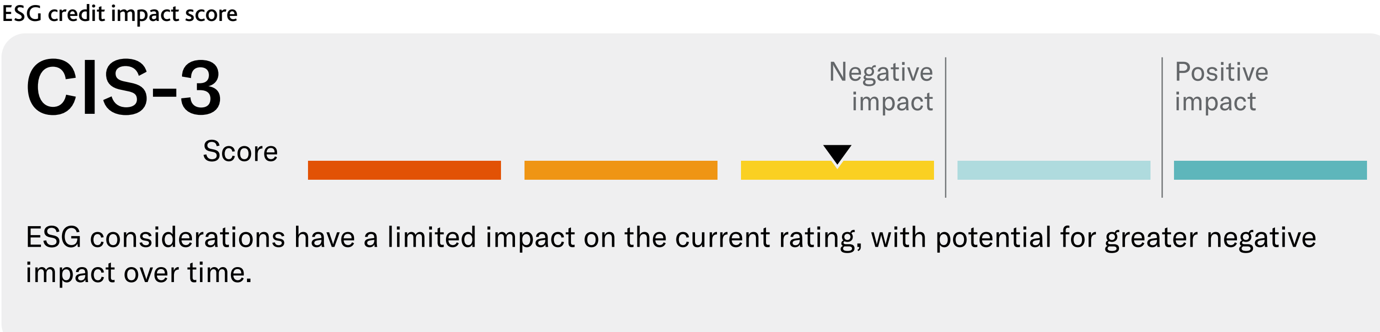
Spire Midstream LLC's (Spire Midstream) operations are comprised of FERC-regulated natural gas pipelines, which we view as being at the lower end of the business risk spectrum for midstream oil and gas assets, though higher risk compared to regulated LDCs. Spire Midstream owns and operates Spire STL Pipeline, a 65 mile pipeline placed in service in November 2019. Its operating revenue is derived primarily from Spire Missouri as its foundation shipper and connects to Spire Missouri's storage facility in St. Louis County. Spire Midstream also acquired an interstate natural gas pipeline, MoGas Pipeline LLC (MoGas), and a connected gas distribution system, Omega Pipeline Company LLC, in 2024. MoGas' highly contracted revenues (over 90%), including with Spire Missouri as a majority off-taker, contribute to the asset's revenue stability.

Spire Marketing is involved in the marketing of natural gas and gas services to more than 250 retail customers and 120 wholesale customers across the US. We view these operations as having much higher business risk due to the commodity price exposure and potential liquidity requirements. To date, Spire Marketing has required a minimal amount of capital; however, Spire typically guarantees performance on a portion of Spire Marketing's gas supply contracts.

ESG considerations

Spire Inc.'s ESG credit impact score is CIS-3

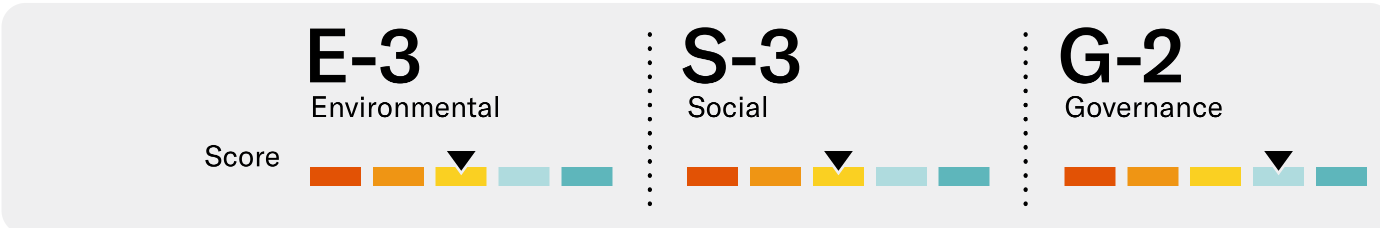
Exhibit 4
ESG credit impact score



Source: Moody's Ratings

Spire's **CIS-3** indicates that ESG considerations have a limited impact on the current credit rating with potential for greater negative impact over time. Increased exposure to demographical and social trends, including less supportive regulatory environments and customer affordability concerns, could weaken credit quality over the long-term.

Exhibit 5
ESG issuer profile scores



Source: Moody's Ratings

Environmental
Spire's **E-3** issuer profile score reflects carbon transition risk, including the potential for methane leakage, and a degree of exposure to physical climate risks from the increasing occurrences of extreme weather events due to climate change. Environmental considerations included in our credit assessment of Spire are primarily related to its exposure to carbon regulations.

Social
Spire's **S-3** issuer profile score incorporates the fundamental risk for regulated utilities that public concern over environmental, social or affordability issues could result in adverse regulatory or political outcomes. Gas distribution utilities also face some degree of responsible production risks due to the inherent risk for potential explosions common to all gas networks. Social risks for Spire are primarily related to health and safety, demographic and societal trends and regulatory relations. Spire continues to work towards providing reliable and affordable service to customers and safe working conditions to employees by improving its infrastructure through pipeline replacement investments. Social risks could increase from a rare operating event such as a pipeline explosion which can result in casualties and property damage.

Governance
The **G-2** issuer profile score is broadly in line with other utilities and does not pose a particular risk. We view the management and governance of Spire as strong, reflecting consistent management credibility and track record. Spire's governance profile is exposed to some degree of financial strategy risk due to the company's historical growth by acquisitions, including the July 2025 Piedmont Tennessee purchase announcement.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

Spire has an adequate liquidity profile reflecting upstreamed dividends from its regulated subsidiaries and adequate access to external liquidity resources. As of 31 March 2025, Spire had a cash balance of around $15.2 million.

Spire's capex levels will remain elevated over the next few years and we continue to anticipate that Spire's internally generated cash flow will be less than planned capital expenditures and shareholder dividend distributions. We expect that Spire will use a balanced mix of debt and equity to supplement its cash flow generation to meet its capital investment requirements, while maintaining the regulatory capital structures of its utilities.

Spire's liquidity is supported by a commercial paper program, backstopped by a $1.5 billion senior unsecured revolving credit facility expiring in October 2029. The revolving credit facility includes sub-limits for Spire of $525 million, Spire Missouri of $700 million and Spire Alabama of $275 million. As of 31 March 2025, there was no commercial paper outstanding and no borrowings the facility. The facility has same-day borrowing ability and no material adverse change representation requirement for ongoing borrowings. It also has one financial maintenance covenant which limits consolidated debt to capitalization to 70%. As of 31 March 2025, Spire reported that all of the borrowing entities were in compliance with this covenant as total debt was less than 60% of total capitalization for each borrower.

Spire's nearest long-term debt maturities are $525 million of parent debt due in March 2026.

Structural considerations

Spire's Baa2 senior unsecured rating is four notches lower than Spire Missouri's A1 first mortgage bond rating and three notches lower than Spire Alabama's A2 senior unsecured rating, due to the structural subordination of the parent obligations compared to the debt at its principal operating subsidiaries.

We expect that Spire's holding company interest expense and corporate dividend will continue to be supported by its utility upstreamed dividends. Additional structural risk could result if Spire required a material amount of dividend support from its higher-risk and more volatile unregulated businesses; if utility payout ratios increased to levels that caused regulatory concern or a deterioration in utility retained cash flow ratios; or if parent interest expense and corporate dividends were consistently funded with external debt.

Rating methodology and scorecard factors

We use our global Regulated Electric and Gas Utilities rating methodology as the primary methodology for Spire Inc.

Exhibit 6
Methodology scorecard factors
Spire Inc.

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 3/31/2025		Moody's 12-18 Month Forward View [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	A	A	A	A
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	3.8x	Baa	3.5x-4.5x	Baa
b) CFO pre-WC / Debt (3 Year Avg)	12.1%	Baa	10%-14%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	8.6%	Baa	8%-12%	Baa
d) Debt / Capitalization (3 Year Avg)	55.1%	Baa	52%-55%	Baa
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Baa1		Baa1
HoldCo Structural Subordination Notching		-1		-1
a) Scorecard-Indicated Outcome		Baa2		Baa2
b) Actual Rating Assigned		Baa2		Baa2

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
LTM = Last 12 months.
Source: Moody's Financial Metrics™ and Moody's Ratings forecasts

Appendix

Exhibit 7
Peer comparison
Spire Inc.

	Spire Inc. Baa2 Stable			NiSource Inc. Baa2 Stable			Eversource Energy Baa2 Negative		
(in $ millions)	FY Sep-23	FY Sep-24	LTM Mar-25	FY Dec-22	FY Dec-23	FY Dec-24	FY Dec-23	FY Dec-24	LTM Mar-25
Revenue	2,666	2,593	2,428	5,851	5,505	5,455	11,911	11,901	12,687
CFO Pre-W/C	375	873	705	1,580	1,617	1,916	2,409	2,710	3,410
Total Debt	4,968	4,979	5,041	11,815	14,424	13,505	26,958	29,316	29,636
CFO Pre-W/C + Interest / Interest	2.8x	4.7x	4.1x	5.0x	4.1x	4.6x	3.8x	3.3x	3.8x
CFO Pre-W/C / Debt	7.6%	17.5%	14.0%	13.4%	11.2%	14.2%	8.9%	9.2%	11.5%
CFO Pre-W/C – Dividends / Debt	4.4%	14.0%	10.3%	9.9%	8.1%	10.2%	5.5%	5.8%	8.0%
Debt / Capitalization	58.3%	56.0%	54.1%	55.9%	54.6%	50.2%	58.0%	58.9%	58.8%

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
LTM = Last 12 months
Source: Moody's Financial Metrics™

Exhibit 8

Moody's–adjusted cash flow metrics

Spire Inc.

(in $ millions)	2020	2021	2022	2023	2024	LTM Mar-25
FFO	**444.5**	**566.4**	**521.5**	**518.9**	**574.6**	**590.0**
+/- Other	33.2	(7.8)	(470.1)	(143.7)	298.6	115.1
CFO Pre-WC	**477.7**	**558.6**	**51.4**	**375.2**	**873.2**	**705.1**
+/- ΔWC	6.2	(279.8)	32.7	104.3	42.0	104.5
CFO	**483.9**	**278.8**	**84.1**	**479.5**	**915.2**	**809.6**
- Div	135.4	140.6	149.3	158.1	174.5	184.0
- Capex	638.6	629.5	556.3	666.6	848.7	918.6
FCF	**(290.1)**	**(491.3)**	**(621.5)**	**(345.2)**	**(108.0)**	**(293.0)**
(CFO Pre-W/C) / Debt	13.3%	13.8%	1.1%	7.6%	17.5%	14.0%
(CFO Pre-W/C - Dividends) / Debt	9.5%	10.3%	-2.1%	4.4%	14.0%	10.3%
FFO / Debt	12.4%	14.0%	11.3%	10.4%	11.5%	11.7%
RCF / Debt	8.6%	10.5%	8.1%	7.3%	8.0%	8.1%
Revenue	1,855.4	2,235.5	2,198.5	2,666.3	2,593.0	2,428.3
Interest Expense	129.2	121.9	137.8	203.3	233.7	226.1
Net Income	232.6	291.3	241.8	234.9	255.4	255.5
Total Assets	8,235.4	9,356.4	10,083.7	10,313.6	10,843.7	11,329.7
Total Liabilities	5,851.7	6,809.4	7,373.1	7,500.8	7,736.8	7,946.1
Total Equity	2,383.7	2,547.0	2,710.6	2,812.8	3,106.9	3,383.6

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Periods are fiscal year-end unless indicated. Spire Inc.'s fiscal year ends on 30 September. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Ratings

Exhibit 9

Category	Moody's Rating
SPIRE INC.	
Outlook	Stable
Senior Unsecured	Baa2
Pref. Stock	Ba1
Commercial Paper	P-2
SPIRE MISSOURI INC.	
Outlook	Stable
First Mortgage Bonds	A1
SPIRE ALABAMA INC.	
Outlook	Stable
Senior Unsecured	A2

Source: Moody's Ratings

MATHIS EXHIBIT 1

REPORT NUMBER 1455985

S&P Global
Ratings

RatingsDirect®

Research Update:

Spire Inc. Outlook Revised To Negative On Announced Acquisition; 'BBB+' Rating Affirmed

July 31, 2025

Rating Action Overview

- St. Louis-based Spire Inc. recently announced it has entered into an agreement to acquire Duke Energy Corp.'s Tennessee natural gas distribution assets for $2.48 billion. Spire intends to fund the debt-free transaction with a mix of equity, hybrids, and long-term debt. The company is also evaluating the sale of its nonutility assets, including its natural gas storage facilities as an incremental source of funds.
- The acquisition will require approval from the Tennessee Public Utility Commission (PUC) and we expect it to close in the first quarter of calendar 2026.
- While the addition of low-risk gas distribution assets in Tennessee would improve Spire's regulatory diversity and increase the relative size of its regulated utility segment, we expect acquisition leverage could weaken consolidated financial measures, including funds from operations (FFO) to debt, below our downgrade threshold.
- We therefore revised our outlooks on Spire and its subsidiaries Spire Missouri Inc. and Spire Alabama Inc. to negative from stable. At the same time, we affirmed all our ratings on Spire and its subsidiaries.
- The negative outlook on Spire and its subsidiaries reflects the possibility that consolidated FFO to debt could weaken to below our 12% downgrade threshold.

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Rating Action Rationale

Incremental debt funding will weaken Spire's consolidated financial measures. Spire has minimal cushion from its current 12% downgrade threshold. For fiscal 2024 and the 12-months-ended March 2025, Spire's FFO to debt was 11.1% and 11.3%, respectively. We previously expected financial performance to improve in fiscal 2025 and beyond driven by the outcome of Spire Missouri's recently filed $290 million rate case and Spire capitalizing on its recently acquired midstream growth opportunities (MoGas Pipeline LLC, Omega Pipeline LLC, and Wyoming storage assets). We also expected the company to fund its fiscal 2025-2029 robust capital spending program (currently about $3.5 billion for the five-year period), excluding the incremental capital spend from the acquisition of the Tennessee operations) in a credit supportive manner, which incorporated $75 million in proceeds in fiscal 2025 from its recent equity forward issuance and up to $50 million additional equity issued annually through fiscal 2027. However, given the company's minimal rating cushion and with the expected incremental acquisition leverage for the Tennessee natural gas distribution assets, Spire's FFO to debt could remain weak for the current rating and below our downgrade threshold. Our base case also incorporates Spire's sale of its nonutility storage facilities, using the proceeds to reduce debt. Our base case also continues to include asset retirement obligations, which decreases FFO to debt by about 100 basis points, on an adjusted basis.

Although Spire has solid market access, its exceptionally large, short- to medium-term funding plan could raise execution risk. While Spire's fully committed bridge facility of $2.48 billion supports the acquisition, we expect the company will fund the deal using a mix of equity, hybrids, and long-term debt. We believe the company could face execution risk over the short- to medium-term because financing such a relatively large transaction in a credit supportive manner will likely require significant equity or equity-like funding, potentially representing a significant portion of the company's current market capitalization. Overreliance on debt leverage would further weaken financial measures and credit quality.

Outlook

The negative outlooks on Spire, Spire Missouri, and Spire Alabama reflect the possibility that consolidated FFO to debt could weaken to consistently below our 12% downgrade threshold. Our base case assumes the company's FFO to debt weakens to the 11%-12% range following Spire's acquisition of the Tennessee local distribution assets.

Downside scenario

We could lower our ratings on Spire, Spire Missouri, and Spire Alabama over the next 18 months if Spire maintains consolidated FFO to debt of below 12%. This could occur if anticipated growth from the acquisition does not materialize, or the company funds the acquisition with a greater-than-anticipated level of debt.

Upside scenario

We could affirm ratings and revise our outlooks on Spire, Spire Missouri, and Spire Alabama to stable over the next 18 months if it receives approval from the Tennessee PUC to acquire the Tennessee local distribution assets, successfully executes its equity financing plan, and maintains FFO to debt consistently above 12%.

Company Description

Spire is a holding company of regulated utilities that serve about 1.8 million natural gas customers in Missouri, Mississippi, and Alabama. The company also owns nonutility businesses that provide gas marketing, storage, and pipeline transportation services.

Our Base-Case Scenario

Assumptions

- Effective management of regulatory risk and the continued use of existing regulatory mechanisms.
- Modest gas volumetric growth, primarily in Spire Missouri's service territory.
- Spire funds the transaction with a mix of equity or equity-like hybrids and new long-term debt. This is incremental to our previous expectations of $50 million in annual common equity issuance through at least fiscal 2026.
- Elevated capital spending of about $2.5 billion total through fiscal 2027.
- Dividends increase in line with historical growth rates.
- Negative discretionary cash flow that is primarily funded with debt.
- The company refinances all debt maturities.

Liquidity

Our short-term and commercial paper ratings on Spire are 'A-2', consistent with our long-term issuer credit rating.

As of the fiscal-second-quarter of 2025, we assess the company's liquidity as adequate, with sources covering uses by 1.1x for the coming 12 months, even if EBITDA declines 10%. We expect sufficient covenant headroom for forecast EBITDA to decline by 15% without the company breaching coverage tests. We believe Spire's regulatory frameworks provide manageable cash flow stability even during economic stress, supporting our use of slightly lower thresholds to assess liquidity.

Spire maintains a $1.5 billion syndicated revolving credit facility to cover its short-term funding needs. We believe Spire can also lower its capital spending during stressful periods, which limits the need to refinance under such conditions. Furthermore, our assessment reflects the company's sound relationships with its 12 banks and a satisfactory standing in the credit markets. Overall, we believe the company will likely withstand adverse market circumstances over the next 12 months with sufficient liquidity to meet its obligations.

Spire's next long-term maturity is Spire Alabama’s $35 million senior unsecured debt maturing Sept. 15, 2025. We expect the company will proactively address this maturity well in advance of its scheduled due date.

Principal liquidity sources

- Revolving credit facility availability of $1.5 billion;
- Cash FFO of about $700 million; and
- Cash and liquid investments of $15 million.

Principal liquidity uses

- Debt maturities, including outstanding commercial paper, of $1.4 billion;
- Maintenance capital spending of about $355 million;
- Working capital outflows of about $45 million; and
- Dividends of about $190 million.

Environmental, Social, And Governance

ESG factors have no material influence on our credit rating analysis of Spire.

Issue Ratings--Subordination Risk Analysis

Capital structure

Spire's capital structure consists of about $3.7 billion of long-term debt, of which about $2.5 million is priority debt at the company's operating subsidiaries.

Analytical conclusions

- We rate the unsecured debt at Spire one notch below the issuer credit rating because priority debt exceeds 50% of consolidated debt, such that Spire's debt could be considered structurally subordinated.
- We rate the preferred stock at Spire two notches below the issuer credit rating, reflecting the securities' subordination and Spire's ability to defer interest payments.

Issue Ratings--Recovery Analysis

Key analytical factors

Spire Missouri's first-mortgage bonds benefit from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral coverage of over 1.5x supports a recovery rating of '1+' and an issue-level rating one notch above the ICR.

Rating Component Scores

Rating Component Scores

Component	
Foreign currency issuer credit rating	BBB+/Negative/A-2
Local currency issuer credit rating	BBB+/Negative/A-2
Business risk	Excellent
Country risk	Very low risk
Industry risk	Very low risk
Competitive position	Strong
Financial risk	Aggressive
Cash flow/leverage	Aggressive
Anchor	bbb
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Adequate
Management and governance	Neutral
Comparable rating analysis	Positive
Stand-alone credit profile	bbb+

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology, July 7, 2025
- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers, Dec. 7, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014

- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings List

Ratings list		
Ratings Affirmed; Outlook Action		
	To	**From**
Spire Inc.		
Issuer Credit Rating	BBB+/Negative/A-2	BBB+/Stable/A-2
Spire Alabama Inc.		
Spire Missouri Inc.		
Issuer Credit Rating	BBB+/Negative/--	BBB+/Stable/--
Ratings Affirmed		
Spire Inc.		
Senior Unsecured	BBB	
Preferred Stock	BBB-	
Commercial Paper	A-2	
Spire Alabama Inc.		
Senior Unsecured	BBB+	
Ratings Affirmed; Recovery Ratings Unchanged		
Spire Missouri Inc.		
Senior Secured	A	
Recovery Rating	1+	

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

MATHIS EXHIBIT 2

MATHIS EXHIBIT 2

Acquisition of the Piedmont Natural Gas Tennessee LDC business

July 29, 2025

Forward-looking statements and use of non-GAAP measures

This presentation contains "forward looking statements," including Spire Inc. ("Spire") management's guidance regarding the impact of the proposed transaction on Spire, including the potential impact on earnings per share and the return on equity and other potential economic benefits to Spire. The forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including statements about beliefs and expectations, are forward-looking statements. Forward-looking statements may be identified by words such as, but not limited to: "estimates," "expects," "projects," "anticipates," "intends," "targets," "plans," "forecasts," "may," "likely," "would," "should," "anticipated," and similar expressions.

Actual outcomes or results could differ materially from the forward-looking statements as a result of changes in circumstances, assumptions not being realized or other risks, uncertainties and other factors, including but not limited to, conditions to the completion of the transaction, such as receipt of required regulatory clearances not being satisfied; closing of the transaction being delayed or not occurring at all; the occurrence of any event, change or other circumstance or condition that could give rise to the termination of the purchase agreement; the inability of Spire to obtain financing; Spire being unable to achieve the anticipated benefits of the transaction; the acquired assets not performing as expected; Spire assuming unexpected risks, liabilities and obligations of the acquired assets; significant transaction costs associated with the transaction; the risk that disruptions from the transaction will harm the businesses, including current plans and operations; the ability to retain and/or hire key personnel; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transaction; and other factors relating to the operations and financial performance discussed in Spire's filings with the SEC.

Although the forward-looking statements contained in this presentation are based on estimates and assumptions that management believes are reasonable, various uncertainties and risk factors may cause future performance or results to be different than those anticipated. More complete descriptions and listings of these uncertainties and risk factors can be found in our Annual Report on Form 10-K for the year ended September 30, 2024, and in subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K. You should consider all risks, uncertainties and other factors identified above and in those SEC reports carefully when evaluating the forward-looking statements in this release. Spire cannot assure you that the future results reflected in or implied by any such forward-looking statement will be realized or, even if substantially realized, will have the forecasted or expected consequences and effects for or on our operations or financial performance. Such forward-looking statements are made based on information available as of the date of this presentation, and Spire undertakes no obligation to revise or update such statements to reflect subsequent events or circumstances, except as otherwise required by securities and other applicable laws.

This presentation also includes references to "adjusted earnings" or "adjusted earnings per share," which are non-GAAP measures used internally by management when evaluating Spire's performance and results of operations. Internal non-GAAP operating metrics should not be considered as an alternative to, or more meaningful than, GAAP measures such as operating income, net income or earnings per share. Reconciliation of adjusted earnings to net income and other non-GAAP measures referenced in the presentation are contained in our SEC filings.

Note: Years shown in this presentation are fiscal years ended September 30.

Investor Relations contact:

Megan L. McPhail
Managing Director, Investor Relations
314-309-6563 | Megan.McPhail@SpireEnergy.com

Acquisition summary

Acquisition of the Piedmont Natural Gas Tennessee LDC business from Duke Energy for $2.48 billion on a cash-free, debt-free basis; represents 1.5× 2026E rate base

Strategic acquisition that expands regulated utility footprint

Diversifies and de-risks growth in a highly constructive regulatory environment

Shared services platform is well-positioned to integrate business while maintaining a strong focus on customers, community and employees

Accretive acquisition and supportive of long-term 5-7% adjusted earnings per share growth and long-term dividend growth

Strategic rationale

Expands regulated utility footprint	• Strategic acquisition that expands regulated utility footprint in a high-quality jurisdiction • Significantly increases scale of regulated business, adding $1.6 billion[1] of rate base and ~205,000 customers
Diversifies and de-risks growth	• Robust growth of Tennessee Piedmont Natural Gas business driven by new customer additions and system modernization spend, complementing Spire's existing capital plan focused on pipeline replacement • Tennessee is a constructive regulatory environment with rate setting mechanisms in place to encourage investment in the system
Strong focus on customers, community and employees	• Aligned focus on safe, reliable and efficient service • Builds on shared values of active civic engagement and community support • Shared services platform is well-positioned to integrate business
Financial benefits	• Increases five-year capital plan by >25% • Proven shared services model will lead to efficiencies across the Spire organization • Accretive and supportive of long-term 5-7% adjusted EPS growth • Cash flow supports investment, shareholder value and growing dividends

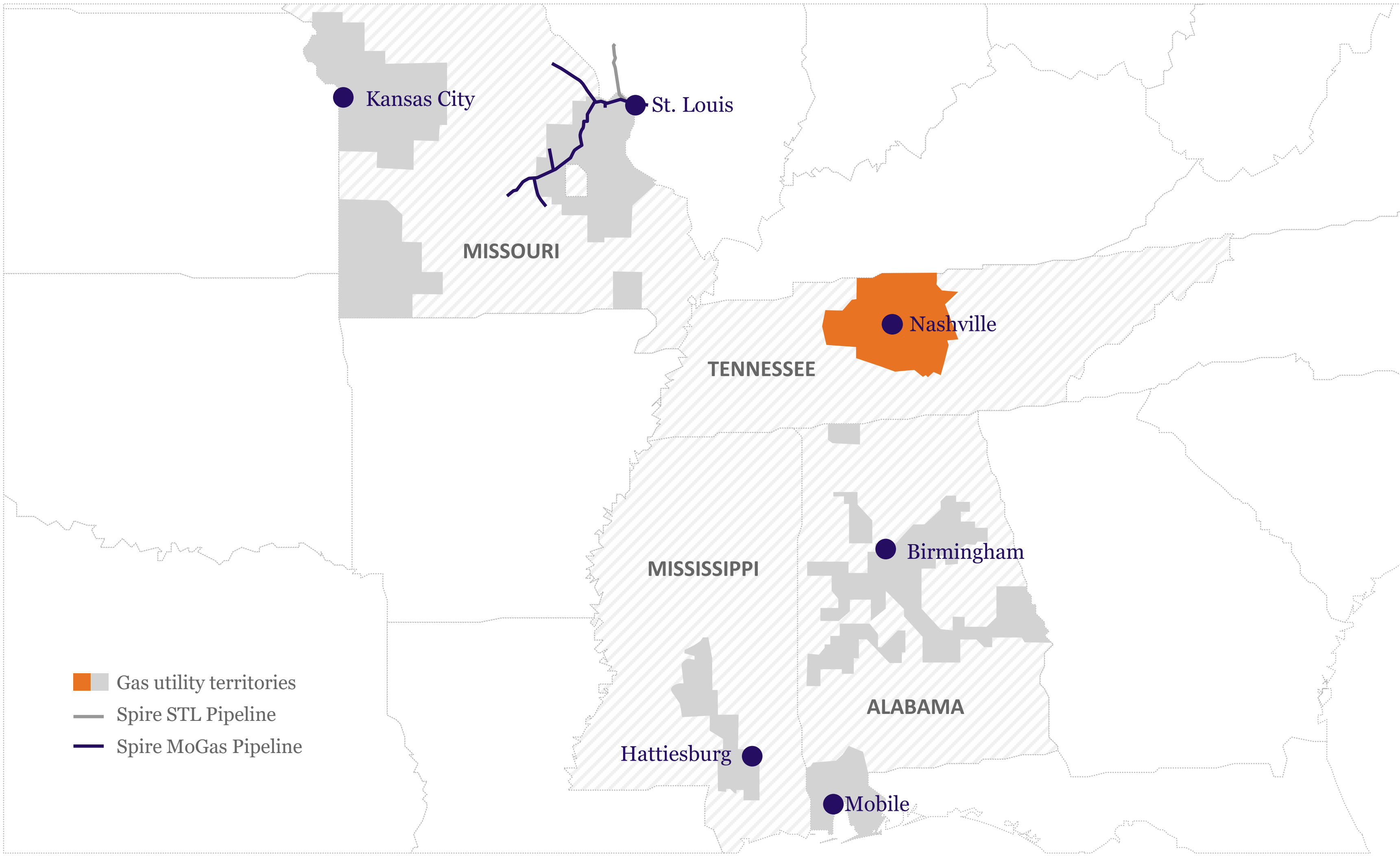
[1]*2026E.*

Transaction terms

Transaction and purchase price	• Acquiring 100% of the Piedmont Natural Gas Tennessee business from Duke Energy • \$2.48 billion enterprise value on a cash-free, debt-free basis, subject to customary closing adjustments – Purchase price represents 1.5× 2026E rate base
Financing plan	• Financing supported by bridge facility with BMO Capital Markets Corp. for entire purchase price • Permanent financing plan consistent with Spire's current credit ratings and will include a balanced mix of debt, equity and hybrid securities • Evaluating the sale of non-utility assets, such as natural gas storage facilities, as a potential source of funds
Required approvals	• Tennessee Public Utility Commission (TPUC) • Hart-Scott-Rodino review • Other customary closing conditions
Timing	• Filing for TPUC approval within 45 days • Acquisition expected to close in Q1 of calendar 2026

MATHIS EXHIBIT 2

Spire's expanded utility footprint



Adding a premier gas utility to Spire's portfolio

Piedmont Natural Gas serves as the largest investor-owned utility in Tennessee and operates in the Nashville metro area, one of the fastest-growing regions in the U.S.

~$1.6 billion
2026E rate base

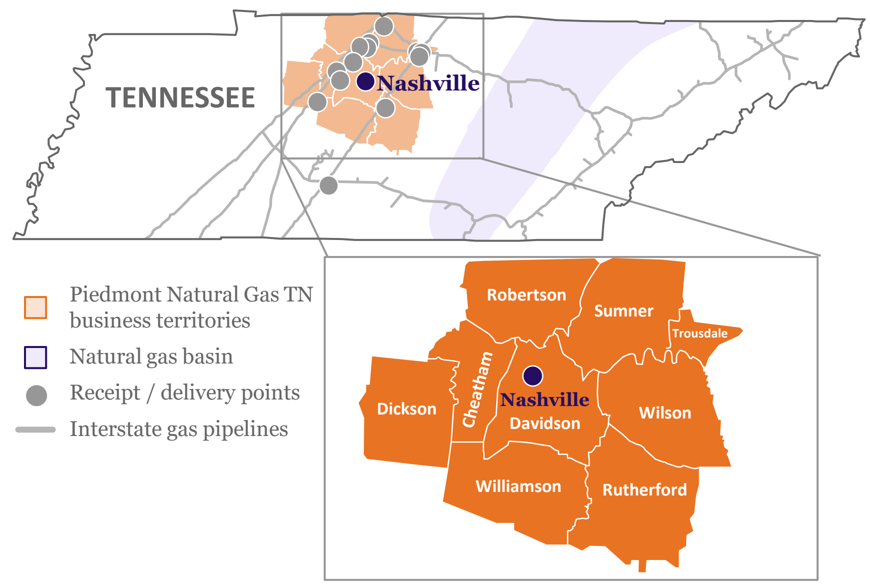
9.8% | 49.33%
ROE[1] | Equity layer[1]

~11%
Historical rate base CAGR (2013-2024)

~205,000
Customers[1]

~3,800
System miles

91%
Residential customers



[1]As of December 31, 2024; Rates from most recent Annual Rate Review Mechanism (ARM) (filed May 2024) went into effect in October 2024.

Significantly enhances Spire's scale

	spire	Piedmont Natural Gas Tennessee business	spire *Pro forma*
Rate base	\$6.3 billion[1]	\$1.6 billion[2]	\$7.9 billion (+25%)
Five-year capital plan (2025E-2029E)	\$3.5 billion	\$0.9 billion	\$4.4 billion (+26%)
Customers	~1,741,000	~205,000	~1,946,000 (+12%)
Miles of pipe	~63,000	~3,800	~66,800 (+6%)

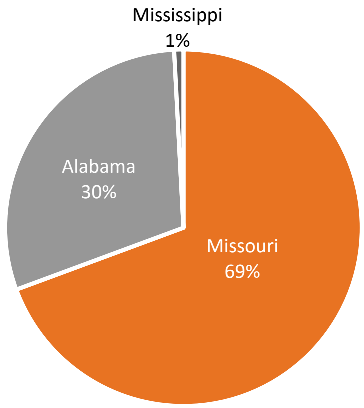
[1]*Reflects MO rate base as of May 31, 2025, filed in latest rate case; other utilities reflect net plant included in 2024 commission filings.*
[2]*Reflects 2026E.*

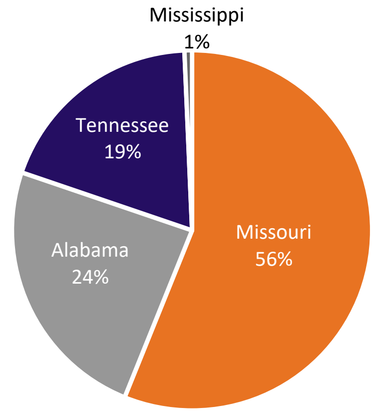
MATHIS EXHIBIT 2

Jurisdictional diversity and utility-focused portfolio

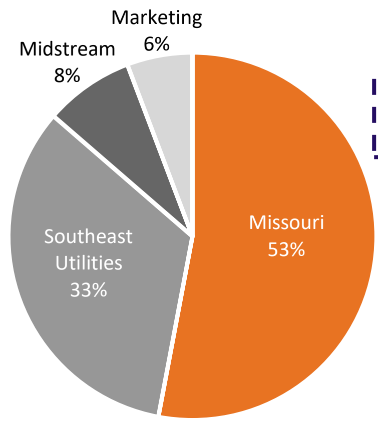
+ Piedmont Natural Gas Tennessee business

Utility Rate base by state[1]

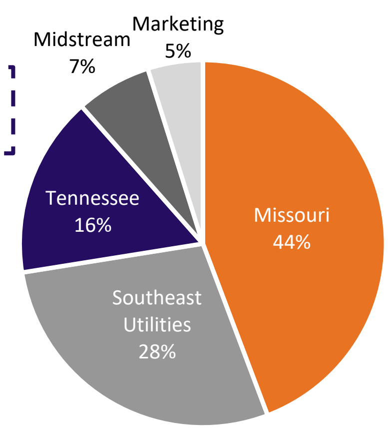




EBITDA by segment[2]



Pro forma regulated content increases further above 90%



Source: Company disclosures.
Note: Southeast Utilities include Alabama, Gulf and Mississippi.
[1]*Reflects MO rate base as of May 31, 2025, filed in latest rate case; other utilities reflect net plant included in 2024 commission filings.*
[2]*FY 2024.*

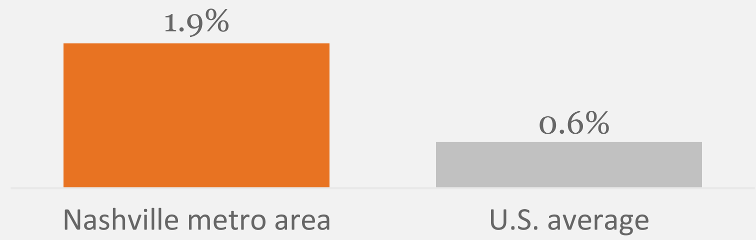
MATHIS EXHIBIT 2

Nashville is a dynamic metropolitan area

- The Nashville metro area is amongst the fastest growing areas in the U.S., with steady population growth ~3× the national average and low unemployment rates supporting continued economic development
- Supported by a diverse set of industries – home to corporate headquarters for HCA Healthcare, Nissan North America, Bridgestone Americas, Tractor Supply Company and Dollar General; Oracle announced it is moving its headquarters to Nashville
- Regional growth dynamics are supported by a strong housing market, with access to top national homebuilders that translates into a robust pipeline of new residential customers

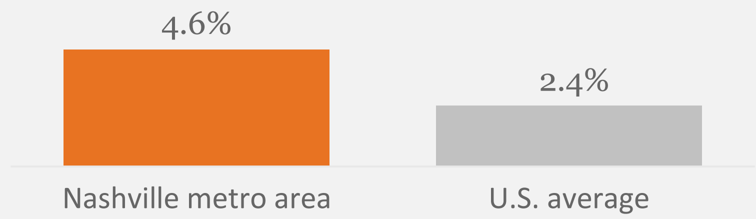
Population growth

2013-2023 CAGR



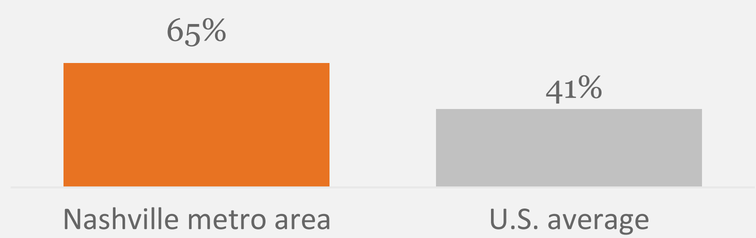
Real GDP growth

2013-2023 CAGR



% of households with annual income >$100k

2023A



Source: St. Louis FRED Economic Data, Nashville Area Chamber of Commerce, Leidos.

Supportive regulatory environment

- Constructive and highly rated regulatory environment
  - Tennessee ranked “Above Average / 3” by Regulatory Research Associates (RRA)
  - Strong and established regulatory framework in place to encourage investment in natural gas infrastructure
- Supportive business environment in Tennessee
  - Consistently ranked among the most business-friendly environments
  - Strong legislative support of natural gas, including law ensuring fuel choice
- Established Annual Rate Review Mechanism (ARM) framework supports continued growth
  - Annual true-up mechanism allows for regular rate updates
  - Supports capital investment to support growing service territory
  - Protects against other changing costs
- Positive framework underpinned by Piedmont Natural Gas and its track record of excellence
  - Consistently ranks as a leader in customer service

Adds to existing, constructive jurisdictions

	Spire Alabama and Spire Gulf	Tennessee	Spire Mississippi	Spire Missouri
RRA ranking	Above Average / 1	Above Average / 3	Above Average / 3	Average / 2
Rate setting mechanism	Rate stabilization and equalization (RSE) – forward test year	ARM – historical, with annual true-up mechanism	Rate stabilization adjustment (RSA) – formula ratemaking	Historical test year – future test year after July 2026[1]
Rate filing deadline	Annual filing by Oct. RSE reset Oct. 2026	The ARM filing date shall be no later than May 20 of each year	Annual filing by Sept.	Filed Nov. 2024[2]
Infrastructure rider				Infrastructure System Replacement Surcharge
Cost control incentive	Cost Control Measure			
Weather normalization	✓	✓	✓	✓
Purchased gas rider	✓	✓	✓	✓
Pension / OPEB tracker				✓
Property tax tracker				✓
Energy efficiency tracker				✓

[1]*The passage of Senate Bill 4 in April 2025 will allow for future test year ratemaking for rate cases filed after July 2026.*
[2]*Agreement in principle reached in early July 2025.*

Transformative acquisition

- ✓ Highly strategic acquisition for Spire
- ✓ Increases scale and expands regulated utility footprint in a high-quality jurisdiction
- ✓ Shift in business mix provides diversification and lowers risk
- ✓ Proven track record of gas utility integration
- ✓ Combined investment opportunities $4.4 billion over five years[1]
- ✓ Supportive of long-term 5-7% adjusted EPS growth and growing dividends

[1] *For the five-year period of 2025-2029.*

Joe Hampton Direct Testimony

Before the
Tennessee Public Utility Commission

Docket No. 25-00074

APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC. AND SPIRE TENNESSEE INC. FOR APPROVAL OF A TRANSFER OF AUTHORITY TO PROVIDE UTILITY SERVICES PURSUANT TO T.C.A § 65-4-113 AND RELATED AUTHORIZATIONS

Direct Testimony
of
Joe Hampton

On Behalf Of
Spire Tennessee Inc.

September 8, 2025

Q. Please state your name and business address.

A. My name is Joe Hampton. My business address is 605 Richard Arrington Blvd. N, Birmingham, Alabama, 35203.

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

A. I am employed by Spire Services Inc. as a natural gas utility business unit President.

Q. Please describe your educational and professional background.

A. I began my career at Alabama Gas Company ("Alagasco"), which was later acquired by Spire Inc. ("Spire" or the "Company"), in 1995 as an engineering intern while completing my bachelor's degrees in physics and electrical engineering at the University of Alabama. I obtained my Master of Business Administration and Management in 2003 from Troy University. Over the past 30 years with Spire and its predecessor company, I have held numerous leadership positions in field operations, including all aspects of service, construction and distribution operations, economic development, sales and community development. In 2015 I was named Vice President, Field Operations for Spire Missouri Inc., and I assumed my current position as President, Spire Alabama, Spire Gulf Inc. and Spire Mississippi Inc. in December 2018.

Q. Have you previously testified before the Tennessee Public Utility Commission ("TPUC" or the "Commission") or any other regulatory authority?

A. I have not.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to provide support for the Joint Application of Spire Tennessee Inc. ("Spire Tennessee") and Piedmont Natural Gas Company, Inc. ("Piedmont") seeking approval from the Commission for Spire Tennessee to acquire Piedmont's property, operations, and authority to provide utility services in the State of Tennessee (the "Proposed Transaction"). In my testimony, I will briefly introduce the Proposed Transaction between Spire and Piedmont and I will also discuss, at a high level, why Spire is the appropriate acquirer in the Proposed Transaction.

Q. Do you have any exhibits to your testimony?

A. No, I do not.

I. The Proposed Transaction

Q. Please describe the Proposed Transaction between Piedmont and Spire.

A. On July 27, 2025, Spire entered into an Asset Purchase Agreement ("APA") with Piedmont, a wholly-owned subsidiary of Duke Energy Corporation ("Duke Energy"), pursuant to which Spire Tennessee – a new wholly-owned subsidiary of Spire – and Piedmont entered into the Proposed Transaction. The Proposed Transaction is described in further detail in the APA as well as the testimony of Company witnesses Brittany Mathis and David Yonce, as well as Piedmont witness Mike Switzer.

II. Spire

Q. Please describe Spire and its business operations.

A. Spire is an investor-owned, publicly traded, natural gas utility holding company organized and existing under the laws of the State of Missouri. Spire owns and operates, through various subsidiaries, natural gas public utilities in Missouri, Alabama, and Mississippi, as well as gas distribution related midstream and marketing operations in these and other states. Its operations are regulated, in various parts, by the Federal Energy Regulatory Commission ("FERC"), as well as by the state public service commissions of the states identified above. Spire intends to acquire and operate the Piedmont property and operations in the State of Tennessee through Spire Tennessee.

Spire is a natural gas utility at its core. Every day, we serve more than 1.7 million homes and businesses, making us one of the largest publicly traded natural gas companies in the country. As a company, we are focused on operational excellence and safely providing affordable and reliable service to our customers. Our Company's history dates back more than 165 years, which has built the strong foundation on which our Company operates today.

III. <u>Suitability</u>

Q. In your view, will Spire be a suitable provider of natural gas distribution service to Tennessee customers?

A. Yes. In addition to all the background and experience outlined by the other Spire witnesses, Spire offers:

1. Operational Excellence – We operate more than 29,000 miles of distribution mains and have consistently met or exceeded state and

federal safety standards applicable to those operations. Our investments in system monitoring, leak detection, and proactive pipe replacement demonstrate our commitment to safe operations.

2. Customer Service Leadership – Spire has received industry recognition for customer satisfaction, billing transparency, and customer engagement. We pride ourselves on superior customer service and ensuring our customers have a favorable experience when interacting with us.
3. Regulatory Partnership – We have longstanding constructive relationships with public utility commissions, consumer protection groups, and other interested parties across multiple states, fostering a transparent and cooperative regulatory environment that benefits customers.
4. Financial Resources – As a large, diversified utility, Spire has the capital and resources to maintain, upgrade, and expand infrastructure while keeping rates affordable.
5. Natural Gas Distribution Focus – Our core business is natural gas distribution service. And while we also engage, through separate subsidiaries, in gas marketing and midstream functions, these are ancillary to and complimentary of our core gas distribution business.
6. Experienced Operators – As is demonstrated in the testimony of Company witness David Yonce and in the biographies attached to our Joint Application in this proceeding, our principal officers are

well-seasoned veterans of the natural gas business who are more than capable of effectively managing Piedmont's operations in Tennessee.

Q. Will the Proposed Transaction serve the public interest?

A. Yes. Piedmont's customers in Tennessee will benefit from the Proposed Transaction by virtue of receiving service as part of the larger Spire group of companies through the operation of Spire Tennessee. Spire has the experience, expertise, resources, and financial strength and wherewithal to ensure that Piedmont's Tennessee operations have access to a continued focus on excellent service metrics, innovative programs, funding, and credit as needed to support the operations and growth of Piedmont's Tennessee operations as part of Spire's larger natural gas utility platform. Should the Commission approve the Proposed Transaction and Piedmont and Spire obtain the other regulatory approvals as described in the Joint Application, Piedmont's existing Tennessee customers will continue to receive from Spire Tennessee the same high quality, safe, and reliable natural gas service they have historically received from Piedmont.

Q. How will the Proposed Transaction benefit Tennessee customers?

A. Piedmont's customers will benefit from the Proposed Transaction in the following ways:

1. Continued Reliable Service – Spire's proven operational track record and customer satisfaction ratings provide assurance that

customers will enjoy a smooth transition from Piedmont to Spire Tennessee with no disruption in service quality or safety.

2. Consistent Rates, Terms, and Conditions of Service – If the Commission approves Spire Tennessee's proposal to step into the regulatory shoes of Piedmont as part of the Proposed Transaction, customers will enjoy the benefits of a consistent regulatory structure that has been previously determined to be consistent with the public interest and without any confusion or unanticipated changes in services or rates.
3. Local Commitment with Regional Strength – While benefiting from Spire's scale and resources, Tennessee customers will have access to Spire Tennessee's locally based service teams and community engagement programs.
4. Economic and Community Support – Spire actively supports local economic development initiatives, workforce training, and charitable causes in the communities we serve.

Q. Will Spire have a strong presence in Tennessee?

A. Yes. Spire is committed to having a strong local presence in Tennessee, similar to that of Piedmont, including field personnel and local leadership to provide guidance and support to local personnel and the community. We have not made final determinations for the Tennessee operational leadership positions at this point in time but we anticipate that such leadership positions will be filled from Piedmont's existing Tennessee personnel or from equally qualified leaders from our other gas distribution utility operations.

Q. How does Spire intend to support the community and the state?

A. As discussed in the direct testimony of Company witness Yonce, Spire has a history of providing significant support to the community and advancing economic development within the states it operates. Spire is committed to bringing this same level of support to Tennessee and intends to be active in the community in the same ways it supports the communities it serves in the other states it operates in and will focus on expanding service and bringing business and economic development to the state.

Q. Is there anything else that you would like this Commission to know?

A. Yes. We have a tremendous amount of experience operating utilities throughout the Midwest and Southeastern United States and are fully committed to ensuring that the new customers we will be welcoming to Spire Tennessee will be provided exceptional service and continue to receive safe and reliable natural gas service at reasonable rates for many years to come. You also have my commitment that we will develop and maintain strong relationships with the Commission and the Consumer Advocate Division of the Office of the Tennessee Attorney General and that we will take an honest and trustworthy approach with respect to all regulatory matters in the State of Tennessee.

Q. Does this conclude your pre-filed direct testimony?

A. Yes.

Mike Switzer Direct Testimony

Before the
Tennessee Public Utility Commission

Docket No. 25-00074

APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC. AND SPIRE TENNESSEE INC. FOR APPROVAL OF A TRANSFER OF AUTHORITY TO PROVIDE UTILITY SERVICES PURSUANT TO T.C.A. § 65-4-113 AND RELATED AUTHORIZATIONS

Direct Testimony
of
Mike Switzer

On Behalf Of
Piedmont Natural Gas Company, Inc.

Piedmont Natural Gas

September 8, 2025

Q. Please state your name and business address.

A. My name is Mike Switzer. My business address is 525 South Tryon Street, Charlotte, North Carolina 28202.

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

A. I am the Vice President, Corporate Development of Duke Energy Corporation ("Duke Energy"), the parent of Piedmont Natural Gas Company, Inc. ("Piedmont").

Q. Please describe your educational and professional background.

A. I have a Bachelor of Science in Chemical Engineering from the University of Virginia, as well as a Master of Science in Materials Science and Engineering from the same institution. I also received a Master of Business Administration ("MBA") from the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. I began my career at Duke Energy in 2007 as a Commercial Associate in its rotational program for MBA graduates and gained experience in the areas of Continuous Improvement, Treasury (specifically, Structured Finance), Financial Planning and Analysis, and Corporate Development. After completing the rotational program in 2009, I held jobs at Duke Energy of increasing complexity and responsibility, including Manager, Corporate Development, Director, Investor Relations, and two stints as Director, Corporate Development. Since January 2022, I have served in my current position as Vice President, Corporate Development, where I lead Duke Energy's

Corporate Development team with responsibility for executing M&A transactions and Duke Energy's Corporate Venture Capital efforts.

Q. Have you previously testified before the Tennessee Public Utility Commission ("TPUC" or the "Commission") or any other regulatory authority?

A. I have not.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support the Joint Application of Piedmont and Spire Tennessee Inc. ("Spire Tennessee") – a new wholly-owned subsidiary of Spire – seeking approval from the Commission for Spire Tennessee to acquire Piedmont's property, operations, and authority to provide utility services in the State of Tennessee (the "Proposed Transaction") pursuant to the terms of the Asset Purchase Agreement ("APA") between Piedmont and Spire Inc. ("Spire") dated July 27, 2025. In doing so, I describe why the Proposed Transaction is in the best interest of Duke Energy and would support its short and long-term business objectives.

As set forth below, proceeds from the Proposed Transaction will support Duke Energy's expanded capital plan. Likewise, the Proposed Transaction will simultaneously benefit Piedmont's Tennessee customers by transferring Piedmont's authority and related authorizations to a respected local distribution company ("LDC") operator in Spire (through subsidiary Spire Tennessee) that can seamlessly step into Piedmont's shoes and capably own and operate the transferred LDC operations. Finally, as I describe the financial terms of the Transaction, I will explain why it makes sense for Duke Energy to sell Piedmont's Tennessee operations at this time.

Q. Do you have any exhibits to your testimony?

A. No, I do not.

Q. Please describe the financial terms of the Proposed Transaction from Duke Energy's perspective.

A. Pursuant to the APA, Piedmont proposes to sell its property, operations, and authority to provide utility services within the State of Tennessee to Spire for $2.48 billion. The proceeds from the Proposed Transaction will help fund Duke Energy's $83 billion five-year capital plan, which is focused on energy modernization investments that Duke Energy will implement over time to deliver value for its customers and shareholders.

Q. Please describe the assets Piedmont proposes to sell to Spire?

A. The assets to be sold include Piedmont's property and operations in Tennessee consisting of approximately 3,800 miles of distribution and transmission pipelines and a liquefied natural gas facility, all serving approximately 205,000 greater Nashville area customers. The primary operations will remain in the greater Nashville area, and the Piedmont employees who primarily support the business will transition over to Spire to maintain business continuity for Spire Tennessee's operations and customers.

Q. Has Duke Energy provided sufficient financial support to Piedmont's provision of utility services in Tennessee since acquiring Piedmont in 2016?

A. Yes. In our merger application before this Commission in Docket No. 16-00006, we stated our commitment to our then soon-to-be acquired Tennessee operations and resulting customers to adequately support Piedmont's provision of utility services in Tennessee and we have followed through on that commitment over the years.[1] Since acquiring Piedmont in 2016, Duke Energy has spent hundreds of millions of dollars (and over $310 million alone from 2022-2024)[2,3] in capital investment in support of the Tennessee jurisdiction in order to (1) maintain and expand Piedmont's Tennessee gas distribution system for the benefit of its customers to accommodate system growth and service reliability; and (2) comply with ongoing federal pipeline safety and integrity requirements.

Q. How does the Proposed Transaction benefit Piedmont and, accordingly, Duke Energy?

A. At its core, the Proposed Transaction allows Duke Energy to fund accelerating investment opportunities driven by significant customer growth in its other regulated jurisdictions and a deepening economic development pipeline. The Proposed Transaction will allow us to finance

[1] See Application of Duke Energy Corporation and Piedmont Natural Gas Company, Inc. for Approval of a Change in Control Pursuant to T.C.A. § 65-4-113, January 15, 2016, at 5 ("There is no question concerning Duke Energy's financial ability to support the continued operations and expansion of the Piedmont system in Tennessee and it commits to do so in a responsible and sufficient manner.")
[2] Direct Testimony of Pia Powers, at 8, Docket No. 23-00035 (May 19, 2023).
[3] Direct Testimony of Kally Couzens, at 5, Docket No. 24-00036 (May 20, 2024).

this growth and give us greater confidence in delivering our earnings per share ("EPS") objectives.

Q. Does Duke Energy view the Proposed Transaction as simply a financial decision and nothing more?

A. No. Beginning with the acquisition of the Nashville Gas Company in 1985, Piedmont has been privileged to serve the Tennessee community for nearly four decades. At the time of the 1985 acquisition, Nashville Gas served 67,000 customers in the greater Nashville area.[4] Since then, our Tennessee customers have allowed us to serve as their trusted energy partner and regional supporter to provide a needed service that integrates into and enhances their daily lives, and to also invest in their communities. Over time, Piedmont's customer base has grown to approximately 205,000 customers, as the greater Nashville area has continued to experience rapid growth.

Through the years, the Piedmont team that supports its authority to provide utility services in Tennessee has delivered an unwavering commitment to our customers, a sustained level of operational excellence, and consistent industry-leading service. In fact, Piedmont recently earned the No. 1 spot in customer satisfaction with residential natural gas service in the South among large utilities for the third year in a row, according to the J.D. Power 2024 U.S. Gas Utility Residential Customer Satisfaction

[4] Jerry W. Amos, *A History of Piedmont Natural Gas* 100 (2011).

Study,[5] and our Tennessee employees played a material role in that achievement. As Duke Energy's Chief Executive Officer Harry Sideris recently stated, Piedmont's Tennessee employees "have set the bar for what it means to be a best-in-class natural gas business and will continue to do so for many years to come" under Spire's leadership.[6] We have great affinity for the Piedmont Tennessee team, their operational acumen, their ability to develop deep, collaborative, and productive relationships with the greater Nashville community, and their overwhelmingly positive contributions to Duke Energy as a whole. As a result, it was not an easy decision to sell this portion of Duke Energy's business.

Q. Why, then, did Duke Energy still decide to enter into the Proposed Transaction?

A. As detailed earlier and despite our affinity for our Tennessee teammates and this aspect of Piedmont's business, our overall Duke Energy electric generation modernization effort is a capital intensive, $83 billion effort. As a result and in support of this effort, we have had to limit capital available to the Tennessee jurisdiction because of needs in other areas of Duke Energy in order to sustain funding for our capital plan.[7] Entering into this Proposed Transaction, thus, was an extremely attractive capital recycling

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[5] Gas Utility Residential Satisfaction Lowest since 2015, J.D. Power Finds, https://www.jdpower .com/business/press-releases/2024-gas-utility-residential-customer-satisfaction-study, December 24, 2024.

[6] Duke Energy announces sale of its Tennessee Piedmont Natural Gas business to Spire for $2.48 billion, https://news.duke-energy.com/releases/duke-energy-announces-sale-of-its-tennessee-piedmont-natural-gas-business-to-spire-for-2-48-billion, July 29, 2025.

[7] Duke Energy Corporation Q2 2025 Earnings Call Transcript (August 5, 2025), at 16, available at https://earningscall.biz/e/nyse/s/duk/y/2025/q/q2.

opportunity. Ultimately, despite our attachment to one another as teammates, we are still running a business and at times have to make tough decisions for the sake of improving the overall enterprise.

Q. How does the Proposed Transaction financially benefit Duke Energy?

A. Closing this Proposed Transaction, contingent upon this Commission's approval and that of other regulatory bodies as detailed in the Joint Application, would help Duke Energy deliver on the reaffirmance of its 2025 adjusted EPS guidance range and long-term adjusted EPS growth rate through 2029. Additionally, after-tax proceeds of the Proposed Transaction would satisfy the vast majority of Duke Energy's common equity needs through 2026.

Q. What attributes did Piedmont and Duke Energy look for in potential buyers of Piedmont's property, operations, and authority to provide utility services in Tennessee?

A. No single attribute of a buyer carried the day relative to which company Piedmont chose to sell its Tennessee property, operations, and related utility service authorizations. At a minimum, however, Piedmont and Duke Energy viewed a strong financial capability to absorb the transaction, a demonstrated ability to successfully run an LDC business and maintain an operational track record mirroring that of Piedmont in Tennessee, and a dedication to the community and to develop and grow future LDC operations in the greater Nashville area as important considerations.

Q. Why did Piedmont choose to enter into the Proposed Transaction with Spire in particular?

A. On balance, Spire checked all the boxes that were most important to Piedmont. As detailed in the Joint Application, Spire is one of the largest publicly traded gas distribution utilities in the country with an enterprise value of approximately $9.7 billion and currently provides natural gas service to over 1.7 million residential and business customers in Missouri, Alabama, and Mississippi through its utility subsidiaries.[8] Additionally, as referenced in Exhibit F to the Application and in the direct testimony of Spire witness Joe Hampton, there are a number of quantifiable benefits to Piedmont's Tennessee customer base of having Spire – through subsidiary Spire Tennessee – take over Piedmont's property, operations, and authority to provide utility services in Tennessee. Ultimately, we are excited that we are able to hand off this special part of our business to such an experienced and capable company that has a long-standing, proven history of successfully running LDC businesses, and was itself, ranked just behind Piedmont as No. 2 in the aforementioned J.D. Power U.S. Gas Utility Residential Customer Satisfaction Study.[9]

Q. Does this conclude your pre-filed direct testimony?

A. Yes.

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[8] See Application, at 5-6.

[9] Gas Utility Residential Satisfaction Lowest since 2015, J.D. Power Finds, https://www.jdpower.com/business/press-releases/2024-gas-utility-residential-customer-satisfaction-study, December 24, 2024.