

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:)
)
APPLICATION OF PIEDMONT) *Electronically Filed in TPUC Docket Room*
NATURAL GAS COMPANY, INC. AND) *on October 24, 2025 at 1:42 p.m.*
SPIRE TENNESSEE INC. FOR)
APPROVAL OF A TRANSFER OF) **DOCKET NO. 25-00074**
AUTHORITY TO PROVIDE UTILITY)
SERVICES PURSUANT TO T.C.A. § 65-4-)
113 AND RELATED AUTHORIZATIONS)

**CONSUMER ADVOCATE’S SECOND SET OF DISCOVERY REQUESTS
TO PIEDMONT NATURAL GAS COMPANY, INC.**

Pursuant to Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-01-02-.11, the Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), by and through counsel, propounds the following discovery requests to Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”).

The Company shall serve full and complete responses in accordance with the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Victoria Glover, on or before 2:00pm (Central Time), November 10, 2025.

PRELIMINARY MATTERS AND DEFINITIONS

The Preliminary Matters and Definitions set forth in the Consumer Advocate’s First Set of Discovery Requests are hereby incorporated by reference as if fully restated herein.

SECOND SET OF DISCOVERY REQUESTS

2-1 Transition. Refer to Piedmont's 2025 ARM filing in TPUC Docket No. 25-00036.

Specifically, the following Confidential Petition Schedules:

- <Schedule 52R.1_TN Allocated O&M_2024 Q1_CONFIDENTIAL>;
- <Schedule 52R.2_TN Allocated O&M_2024 Q2_CONFIDENTIAL>;
- <Schedule 52R.3_TN Allocated O&M_2024 Q3_CONFIDENTIAL>; and
- <Schedule 52R.4_TN Allocated O&M_2024 Q4_CONFIDENTIAL>.

Confirm that charges identified within the Summary and Reconciliation tab include those costs direct charged from Piedmont's shared services during 2024. If this is not confirmed, identify the 2024 year-to-date direct charges from Piedmont's shared services in the same categories as are contained within this response.

RESPONSE:

2-2 Taxes. Refer to Piedmont's Response to Consumer Advocate DR No. 1-26. For each of the six items referenced within this response, identify the accounting entry(ies) that were recorded in (a) 2024, and (b) 2025 related to the tax refund claims.

RESPONSE:

2-3 Gas Supply. Confirm that all the current contracts used to secure gas supply and/or gas transportation to serve Piedmont gas customers are transferring to Spire-Tennessee under the Asset Purchase Agreement. If this is not confirmed, identify the specific gas supply and/or gas transportation contracts retained by Piedmont.

RESPONSE:

2-4 Employees. Identify the number of Piedmont employees transitioning to Spire-Tennessee that are not identified as collective bargaining employees.

RESPONSE:

2-5 Benchmarking. Refer to Piedmont’s Response to Consumer Advocate DR No. 1-34.

Provide a copy of the key performance indicators identified in this response for 2024.

RESPONSE:

2-6 Capital Plan. Refer to the *Direct Testimony of Mike Switzer* at 3:10-13, and 6:13 – 7:18.

Respond to the following:

- a. Describe all funding options considered to obtain capital for Duke Energy five-year capital plan;
- b. Provide the funding costs for each option considered;
- c. Did Duke Energy consider equity financing options? If so, explain in detail what options were explored;
- d. Was the sale of Piedmont assets dependent on the acquisition premium;
- e. Explain the “value for customers” that will be delivered as part of the investments; and
- f. Is Duke Energy unable to obtain the necessary capital funding without selling the assets in the proposed transactions?

RESPONSE:

2-7 Capital Requirements. Refer to the *Direct Testimony of Mike Switzer* at 5:1-2. Explain in detail Duke Energy’s earning per share objective.

RESPONSE:

2-8 Capital. Refer to the *Direct Testimony of Mike Switzer* at 7:5-12 and respond to the following:

- a. What are Duke Energy’s common equity needs through 2026?
- b. How would Duke Energy’s common equity needs be different without the transaction?

RESPONSE:

2-9 Gas Supply. Does Piedmont have a Gas Supply Plan? If so, provide that plan.

RESPONSE:

2-10 Cost of Debt. Provide a list of all outstanding debt currently used to finance Piedmont operations. For each issuance include the following:

- a. The amount of the bond;
- b. The issue date;
- c. The maturity date; and
- d. The interest rate.

RESPONSE:

2-11 Capital Expenditures. Provide the historic Piedmont capital expenditure budget for the period 2020 – 2022, inclusive of its share of common corporate capital expenditures.

RESPONSE:

2-12 Capital Expenditures. Provide the actual Piedmont capital expenditures, inclusive of its share of common corporate capital expenditures.

RESPONSE:

2-13 Billing System. Refer to the *Rebuttal Testimony of Pia Powers* in TPUC Docket No. 19-00007. Pia Powers provided the statement in the context of the capability of Piedmont’s billing system:

“...Piedmont will commit to full consideration of all costs and benefits in development of its next generation billing system. Piedmont is somewhat wary about trying to define the parameters of such a system in discrete detail at this point in time but understands that its current billing system, which works well for many purposes, is limited in the amount of detail it can provide regarding various billing rates and components. Piedmont intends to address that when it develops its next generation billing system.”¹

¹ *Rebuttal Testimony of Pia K. Powers* at 16:9-16, TPUC Docket No. 19-00007 (July 29, 2019).

Please respond to the following:

- a. Has the Company completed its ‘next generation billing system as referenced in the quoted testimony?
- b. If so, respond to the following:
 - i. The date the system was completed
 - ii. Provide the underlying calculation of the total billing system costs allocated and/or direct charged to Piedmont in 2024 and included in the Company’s ARM filing.
 - iii. Identify the total billing system costs allocated and/or direct charged to Piedmont in the full calendar year preceding the implementation of the ‘next generation billing system.’”
 - iv. Describe the upgraded capabilities of the ‘new generation billing system’ that weren’t available with the prior billing system.
 - v. Describe the capability of the new system to provide detailed billing information, which would include breaking out individual rate components of the bill.

RESPONSE:

2-14 Transaction Costs. Will any costs incurred associated with any aspect of this transaction be recorded in the books of Piedmont-Tennessee in 2025, either through a direct charge or an allocation process? For purposes of this response costs include all expenses incurred in evaluating the potential sale, legal costs incurred prior to the bid process and all subsequent costs incurred throughout the bid process and regulatory proceeding. If such costs have been or will be included in Piedmont’s 2025 results of operations, respond to the following:

- a. Identify the costs incurred by Piedmont and/or Duke associated with this transaction to date, broken out by vendor.
- b. Identify the costs yet to be incurred by Piedmont and/or Duke but are estimated to be incurred through December 31, 2025, by vendor.
- c. Provide the rationale supporting any prospective claims for recovery of these transaction-related costs incurred by Piedmont-Tennessee in a subsequent regulatory proceeding.

RESPONSE:

2-15 Transaction Costs. Provide a comprehensive explanation by cost type of how Duke and/or Piedmont recorded all the various costs associated with this Joint Application.

RESPONSE:

2-16 Transaction Costs. Confirm that BMO acted as Piedmont/Duke's investment advisor in this transaction.

RESPONSE:

2-17 Project Blue Ridge Financial Model. Refer to Piedmont's Confidential Response to Consumer Advocate DR No. 1-7 and Spire's Confidential Response to Consumer Advocate's Deficiency letter via email from Brian Franklin on October 23, 2025. Respond to the following:

a. Who has ownership of the following Models:

[REDACTED]

[REDACTED]

b. the entity that created the following Models:

[REDACTED]

[REDACTED]

RESPONSE:

2-18 Advisors. Identify all advisors utilized by Duke in the decision and valuation process for the sale of the Tennessee assets of Piedmont and include the following in this response:

- a. Detail the role of each advisor; and
- b. Provide all documentation produced by each advisor.

RESPONSE:

RESPECTFULLY SUBMITTED,



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via electronic mail upon:

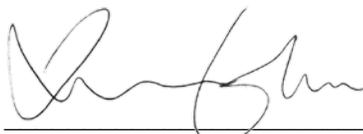
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This the 24th day of October, 2025.



VICTORIA B. GLOVER
Assistant Attorney General