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November 24, 2025

VIA ELECTRONIC MAIL
and Hand Delivery

Electronically Filed in TPUC Docket Room
on November 24, 2025 at 11:47 a.m.

David F. Jones, Chairman
c/o Ectory Lawless
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
Docket No. 25-00074**

Dear Chairman Jones:

Enclosed for filing, please find an original and four (4) copies of Spire Tennessee Inc.'s ("Spire") supplemental response to the Consumer Advocate Division's Second Discovery Request, item 2-31 part (c), in the above-referenced docket.

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

A PDF of the public response is also being filed today by way of email to the Tennessee Public Utility Commission docket manager, Ectory Lawless. Please file the original and provide a "filed" stamped copy of the same via email.

David F. Jones, Chairman

November 24, 2025

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If you have any questions regarding these responses, you may reach me at the number shown above.

Very truly yours,



Paul S. Davidson

PSD:jv

Enclosures

cc: Kelly Cashman-Grams
Michelle Mairs
Cole McCormick
David Foster
Victoria B. Glover
Vance L. Broemel
Eddie Davidson
Matt Aplington
David Yonce
James H. Jeffries IV
Brian L. Franklin
Charlotte A. Mitchell
Mason E. Maney
Henry M. Walker

CERTIFICATE OF SERVICE

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

Victoria B. Glover
Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
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Shilina B. Brown
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
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This, the 24th day of November, 2025.

/s/ Paul S. Davidson
Paul S. Davidson

PIEDMONT NATURAL GAS COMPANY, INC.
SPIRE TENNESSEE INC.
DOCKET NO. 25-00074
CONSUMER ADVOCATE'S SECOND SET OF DISCOVERY REQUESTS
DATE ISSUED: OCTOBER 24, 2025
DATE DUE: NOVEMBER 10, 2025

2-31. Corporate Costs. Refer to the *Direct Testimony of David Yonce*, Exhibit <25-00074_D.

YONCE EXHIBIT 3 [CONFIDENTIAL]> and specifically, pdf page 36 and respond to the following:

- a. Is the data under the caption FY 24 Sep YTD total costs reflective of twelve months' data? Stated differently, is Spire's fiscal year the twelve months ended September. If so, provide the portion of the total costs that were eventually capitalized.
- b. If part (a) is not confirmed, provide data in the format shown for the twelve-month period ending September 2024.
- c. Provide data in this format for the twelve months ended June 30, 2025. Further identify the portion of those costs that were eventually capitalized.
- d. Confirm that corporate assets that are used by Spire affiliates, such as Information Technology intangible assets, are not allocated to individual Spire affiliates, but instead a return on such assets, as well as depreciation expense, is determined, and the sum of these costs is then allocated among Spire affiliates. If this is not confirmed, explain how the revenue requirement costs of corporate assets are determined.

INITIAL RESPONSE:

- a. Spire operates on a fiscal year ending September 30. The data presented in the Cost Allocation Manual ("CAM") annual report in D. YONCE EXHIBIT 3 is for the twelve months ended September 30, 2024. The purpose of the annual CAM report is to show how the various types of shared costs are distributed across Spire's affiliated entities. The note that "costs are presented prior to any allocation to capital at the utility" is present so that there is not a mistaken assumption that one can trace the costs directly to the income statement for the non-capital shared services allocations. There is an alternate presentation of the non-capital shared services allocations on pdf page 44 of the same exhibit that breaks out the shared costs by FERC account. There is a section entitled "clearing accounts" that comprises a portion of the non-capital shared services allocations where a portion of these costs will end up being allocated to capital. Other accounts presented may also have had a portion of costs transferred to construction via a general overhead or benefits overhead. However, the different utilities have varying capitalization percentages due to whether capital work is outsourced or self-constructed, the overall composition of work performed

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by internal employees (capital v. O&M), etc. The shared costs ultimately capitalized represent a portion of indirect capitalization categories outlined in Spire's response to CAD DR 1-14.

- b. See response to part (a).
- c. Spire is providing the requested information to align with its recently ended fiscal year which ended on September 30, 2025. As discussed during the meeting with CAD on October 30, 2025, Spire is in the process of updating this information but will not have it completed by the due date of this data request. Spire will supplement this response with the requested document when completed, which is anticipated to be within the next few weeks.
- d. The approach outlined has been used in the past but is not currently used and will not be used for Tennessee. Currently, shared assets that benefit multiple affiliates have costs collected at Spire Services and then those costs are allocated to the entities expected to benefit from the asset. Each project is evaluated to determine which entities should receive costs and what allocation factor makes the most sense (i.e., customer count, fixed assets, etc.). The receiving entities then depreciate the respective assets on their own books and utilize their individual authorized rate of returns. The capital shared services allocations and SaaS development shared services allocations identified on pdf page 36 follow this process.

SUPPLEMENTAL RESPONSE:

- a. Spire operates on a fiscal year ending September 30. The data presented in the Cost Allocation Manual ("CAM") annual report in D. YONCE EXHIBIT 3 is for the twelve months ended September 30, 2024. The purpose of the annual CAM report is to show how the various types of shared costs are distributed across Spire's affiliated entities. The note that "costs are presented prior to any allocation to capital at the utility" is present so that there is not a mistaken assumption that one can trace the costs directly to the income statement for the non-capital shared services allocations. There is an alternate presentation of the non-capital shared services allocations on pdf page 44 of the same exhibit that breaks out the shared costs by FERC account. There is a section entitled "clearing accounts" that comprises a portion of the non-capital shared services allocations where a portion of these costs will end up being allocated to capital. Other accounts presented may also have had a portion of costs transferred to construction via a general overhead or benefits overhead. However, the different utilities have varying capitalization percentages due to whether capital work is outsourced or self-constructed, the overall composition of work performed by internal employees (capital v. O&M), etc. The shared costs ultimately capitalized

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represent a portion of indirect capitalization categories outlined in Spire's response to CAD DR 1-14.

- b. See response to part (a).
- c. Please see the <CAD DR 2.31c **CONFIDENTIAL** Attachment - FY 2025 Annual Report> attachment provided herewith.
- e. The approach outlined has been used in the past but is not currently used and will not be used for Tennessee. Currently, shared assets that benefit multiple affiliates have costs collected at Spire Services and then those costs are allocated to the entities expected to benefit from the asset. Each project is evaluated to determine which entities should receive costs and what allocation factor makes the most sense (i.e., customer count, fixed assets, etc.). The receiving entities then depreciate the respective assets on their own books and utilize their individual authorized rate of returns. The capital shared services allocations and SaaS development shared services allocations identified on pdf page 36 follow this process.

Name and title of responsible person: Brittany Mathis, CFO & Controller, Spire Alabama

Initial Response provided by Spire Tennessee Inc. on November 10, 2025.

Supplemental Response provided by Spire Tennessee Inc. on November 21, 2025.

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2-31 Part (c) Supplemental Attachment

Confidential Supplemental Attachment Filed Under Seal