

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

IN RE:)
)
APPLICATION OF PIEDMONT)
NATURAL GAS COMPANY, INC. AND)
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 RESPONSE TO
FIRST SET OF DISCOVERY REQUESTS
TO PIEDMONT & SPIRE**

Jonathan Skrmetti, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), pursuant to Rules 26, 33, and 34 of the Tennessee Rules of Civil Procedure, Tennessee Public Utility Commission (“TPUC” or The “Commission”) Rule 1220-01-02-.11, and the Agreed Procedural Schedule entered by the Hearing Officer in this Docket, hereby submits its responses to the *First Set of Discovery Request of Piedmont Natural Gas Company, Inc. and Spire Tennessee Inc.* (“Joint Applicants”) filed on December 8, 2025.

General Objections

All of the General Objections made herein are applicable to and are hereby incorporated into each and every response herein, and each response herein is made subject to and without waiver of these General Objections.

- A. The Consumer Advocate objects to each of the Company’s requests on the grounds that each is overly broad, unduly burdensome, and oppressive.

- B. The Consumer Advocate objects to the Company's discovery requests to the extent that they purport to impose the obligations upon the Consumer Advocate beyond those contemplated by the Tennessee Rules of Civil Procedure, TPUC Rules, and Tennessee law.
- C. The Consumer Advocate objects to each of the Company's requests to the extent that each purports to call for information and/or documents prepared in anticipation of litigation, and/or information and/or documents protected by the attorney-client privilege, the work product doctrine, the common-interest doctrine, or any other applicable protection or privilege.
- D. The Consumer Advocate objects to each of the Company's requests to the extent that they are not applicable in the context of a proceeding before the TPUC, cite an incorrect legal conclusion, or mischaracterize or improperly summarize statements made by the Consumer Advocate's expert witnesses in their pre-filed direct testimonies.
- E. By providing the objections contained herein, the Consumer Advocate does not waive or intend to waive, but rather, intends to preserve, all objections with regard to competence, relevance, materiality, and admissibility of the discovery information or documents in any subsequent proceeding on the related subject matter. Moreover, the Consumer Advocate intends by this set of responses to preserve all objections to vagueness, ambiguity, and undue burden in connection with requests to produce documents, including those that are not in the Consumer Advocate's possession, custody, or control.
- F. The responses made herein are made to the best of Consumer Advocate's present knowledge after a reasonably diligent search for responsive information. The Consumer Advocate will supplement its responses in line with the requirements of the Tennessee Rules of Civil Procedure as well as TPUC Rules and expressly reserves its right to supplement or amend its answers, if and as appropriate, including with respect to objections that may arise at a later time than this filing.

Without waiving these General Objections as they apply to each individual request, the Consumer Advocate presents the following responses:

RESPONSES TO JOINT APPLICANTS' DISCOVERY REQUESTS

1. To the extent not already provided, please identify and provide copies of all Documents and workpapers (including all related Excel files with working formulae and links intact) supporting and/or underlying all testimony, exhibits (including initial, revised, additional, supplemental, updated, rebuttal, etc.) filed by the Consumer Advocate in this Proceeding. Please consider this request ongoing.

RESPONSE:

All Documents and supporting workpapers have been provided with the exception of the following, which are being provided now:

- a. Consumer Advocate witness David N. Dittimore provided an Excel document titled <ADIT Amort calculation>.**
- 2. Confirm that the Consumer Advocate did not intervene in the docket Duke Energy Corporation and Piedmont Natural Gas Company for Approval of a Change in Control, Docket No. 16-00006 (“Duke Approval Docket”).**

RESPONSE:

Confirmed.

- 3. Confirm that the Consumer Advocate did not issue any discovery requests or file any testimony in the Duke Approval Docket.**

RESPONSE:

Confirmed.

- 4. Confirm that the primary statutory authorization sought in the Duke Approval Docket is the same as that applicable to this case.**

RESPONSE:

The Consumer Advocate objects on the grounds that the words “primary,” “same,” and “applicable” are vague and ambiguous such that the Consumer Advocate cannot render a meaningful answer to the request as worded.

In an effort to provide a response, the Consumer Advocate confirms that both Applications involve Tenn. Code Ann. §65-4-113. However, the Consumer Advocate denies that the “applicability” and the pursuant considerations and determinations of the statutory section

are the “same” in this Docket as in TRA Docket No. 16-00006. Additionally, as discussed in Consumer Advocate’s witnesses’ Pre-Filed Direct Testimonies, Tenn. Code Ann. §65-4-113 is not the only type of authorization being sought in the instant Application, which differs from the mentioned TRA Docket No. 16-00006.

5. Identify any customer benefits obtained through the Commission’s decision in the Duke Approval Docket.

RESPONSE:

There are no specific customer benefits identified in TRA Docket No. 16-00006 apart from Applicants’ stated benefits direct to Piedmont that “can be passed on to customers in future rate proceedings.”¹

6. Identify any “guardrails” or other customer protections ordered in the Duke Approval Docket.

RESPONSE:

The Consumer Advocate confirms that the Commission did not use the term “guardrails” anywhere in the Order in TRA Docket No. 16-00006. The Commission ordered that Duke and/or Piedmont file a status update within one year of the close concerning the management, budget, income, and general operations under Duke that was over and above the normal reporting sought in the Application.²

However, the Consumer Advocate takes issue with the notion that no “guardrails” or other protections were considered or reasoned and objects to the extent that the request implies that this is the case, as doing so improperly calls for speculation on the Commission’s

¹ *Order Approving Change of Control* at 4, TRA Docket No. 16-00006 (March 28, 2016).

² *Id.*

deliberative process, of which neither the Consumer Advocate nor the Applicants have first-hand knowledge.

7. Why does the CAD believe that an ADIT rate base offset would not constitute a violation of IRS normalization rules?

RESPONSE:

The Consumer Advocate proposal is to establish a regulatory liability to capture the ‘lost’ Rate Base deduction that would otherwise occur absent this transaction. The regulatory liability is not intended to be characterized as ADIT on the books of Spire. The Consumer Advocate is not aware of any normalization violation situation related to the establishment of a regulatory liability. The Consumer Advocate forms its opinion that no normalization violation would result since Spire voluntarily agreed to a similar, if not identical, provision in a Stipulation and Agreement in Missouri Public Service Commission Case No. GM-2013-0254. The Consumer Advocate is making the assumption that Spire would not voluntarily agree to a provision that would constitute a normalization violation

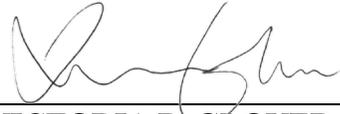
8. How would Spire demonstrate that its future costs to serve Tennessee customers are no higher than Piedmont’s would have been for the same future period?

RESPONSE:

The Consumer Advocate would recommend a basic calculation involving a general CPI indicator published by the Bureau of Labor Statistics (BLS) specific to Utility (Piped) Gas Service. This factor would then be offset by the Total Factor Productivity offset to arrive at the net inflation factor. This net factor should apply to Piedmont’s 2024 Operating and Maintenance (O&M) costs built into rates to move the data forward to the period in question.

Spire's O&M costs would then be compared to the proxy Piedmont O&M costs to measure whether Spire's cost to serve have resulted in cost benefits or increased costs.

RESPECTFULLY SUBMITTED,



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TPUC Docket No. 25-00074

CA's Response to DRs from Piedmont & Spire

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 18th day of December, 2025.



VICTORIA B. GLOVER
Assistant Attorney General

 Regulatory Liability Amortization Calculation

Line No.	Item	12/31/2024 Amount	Docket 25-00036 Source Schedule
1	Gross Plant in Service	\$ 2,057,396,986	Schedule 13
2	Less: Accumulated Depreciation	\$ 564,212,572	Schedule 16
3	Net Book Balance	\$ 1,493,184,414	
4	Divided By: Annual Depreciation Expense	51,958,622	Schedule 9
5	Remaining Life of Book Assets in Years	28.74	
6	Amortization Rate (1/Remaining Life)	3.48%	