

Holland & Knight

Nashville City Center | 511 Union Street, Suite 2700 | Nashville, Tennessee 37219 | T +1.615.244.6380 | F +1.615.244.6804
Holland & Knight LLP | www.hklaw.com

Paul S. Davidson
+1 615-850-8942
Paul.Davidson@hklaw.com

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VIA ELECTRONIC MAIL **and Hand Delivery**

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**

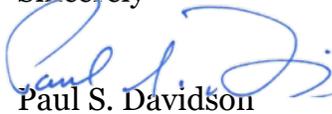
Dear Chairman Jones:

Enclosed for filing, please find an original and four (4) copies of the *Response of Applicants Piedmont Natural Gas Company, Inc. and Spire Tennessee Inc. to Consumer Advocate Motion for Preliminary Determination on the Transferability of Piedmont's Annual Review Mechanism* in the above-referenced docket.

A PDF of the 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.

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

Sincerely



Paul S. Davidson

PSD:jv
Enclosures

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cc: Kelly Cashman-Grams
Michelle Mairs
Cole McCormick
David Foster
Victoria B. Glover
Vance L. Broemel
Shilina B. Brown
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
Email: Victoria.Glover@ag.tn.gov

Shilina B. Brown
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Email: Shilina.Brown@ag.tn.gov

This, the 30th day of December, 2025.

/s/ Paul S. Davidson
Paul S. Davidson

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:)
)
APPLICATION OF PIEDMONT NATURAL)
GAS COMPANY, INC. AND SPIRE)
TENNESSEE INC. FOR APPROVAL OF A) **Docket No. 25-00074**
TRANSFER OF AUTHORITY TO)
PROVIDE UTILITY SERVICES)
PURSUANT TO T.C.A. § 65-4-113 AND)
RELATED AUTHORIZATIONS)

**RESPONSE OF APPLICANTS PIEDMONT NATURAL GAS COMPANY, INC.
AND SPIRE TENNESSEE INC. TO CONSUMER ADVOCATE MOTION FOR
PRELIMINARY DETERMINATION ON THE TRANSFERABILITY OF
PIEDMONT’S ANNUAL REVIEW MECHANISM**

NOW COMES Piedmont Natural Gas Company, Inc. (“Piedmont”) and Spire Tennessee Inc. (“Spire Tennessee”) (collectively, “the Applicants”) by and through counsel, and hereby submit the following response to the Consumer Advocate Division of the Office of the Tennessee Attorney General’s (“Consumer Advocate”) Motion for Preliminary Determination (“Preliminary Determination Motion” or “Motion”) on the transferability of Piedmont’s Annual Review Mechanism (“ARM”) to Spire Tennessee as requested in the Application in this docket.

The Consumer Advocate’s Preliminary Determination Motion presents two issues for the Commission’s determination. The first issue is whether, under the proper interpretation and application of the relevant Tennessee statutes, the Commission has the legal authority to approve a transfer of all of Piedmont’s regulatory authorizations (including the ARM) to Spire Tennessee in this proceeding. This issue is fundamentally a question of law and interpretation of the relevant statutes and is appropriate for resolution on a preliminary basis. As is fully explained below, the Applicants have the right to request

such a transfer under Tennessee law and the Commission clearly has the authority to grant such relief upon a determination that the underlying proposed transaction is in the public interest.

The second issue raised by the Consumer Advocate’s Motion is whether the Commission, in the exercise of its discretion, should grant such relief in this circumstance.¹ This question requires an examination of the underlying facts of this case and the public interest therein. Some of these facts are reflected in the record at this point but many are not. Specifically, Rebuttal Testimony is due in this proceeding on January 9, 2026, and the Applicants are preparing Rebuttal Testimony directly addressing many of the Consumer Advocate’s arguments, including the public interest inherent in transferring the ARM from Piedmont to Spire Tennessee on an interim basis as anticipated by Tenn. Code Ann. § 65-4-113 and requested by Applicants.² The Applicants respectfully submit that a decision on the question as to whether the public interest supports a transfer of the ARM in this proceeding would be premature at this point and must await the closing of the evidentiary record.³

I. INTRODUCTION

The Applicants request approval under Tenn. Code Ann. § 65-4-113 to transfer Piedmont’s Tennessee “authority to provide utility services,” including the existing approved Piedmont tariffs, rates, and regulatory mechanisms, to Spire Tennessee.⁴ This

¹ The Consumer Advocate’s Motion does not distinguish between the underlying authority of the Commission to transfer the ARM and whether the evidence supports such a transfer and is, therefore, somewhat imprecise in its arguments.

² Rendering a decision on the issue of whether the Commission should transfer the ARM prior to receipt and review of all material evidence on this subject would be premature and highly prejudicial to the Applicants.

³ While a decision by the Commission as to whether the ARM should be transferred would be premature at this point, the Applicants below do address some of the factors that support such a transfer as are reflected in the record at this point.

⁴ Application at ¶ 13.

request is made in the context of a pending Asset Sale between the Applicants whereby Spire, Inc., by and through its wholly-owned subsidiary Spire Tennessee, proposes to purchase the assets, liabilities, operations, and workforce of Piedmont that provide natural gas utility services within the State of Tennessee.⁵ The plain language of Tenn. Code Ann. § 65-4-113, and prevailing rules of statutory construction in Tennessee, both support the lawfulness of the proposed transfer of all of Piedmont’s existing authorizations to provide utility service in Tennessee, including the ARM.

The controlling statute, Tenn. Code Ann. § 65-4-113, which is entitled “Transfer of Authority to Provide Utility Services,” directs the Commission to approve a transfer upon finding the transferee is suitable, financially responsible, and capable, and that the transfer furthers the public interest. The statute further provides that upon approval, the transferee “shall be granted full authority to provide the transferred services” subject to continuing Commission regulation, and the transferor retains no authority over the transferred services. (emphasis added).

By its plain and ordinary meaning, the grant of “full authority” to provide the transferred services encompasses the bundle of Commission-approved mechanisms by

⁵ The Asset Sale is governed by the terms of the Asset Purchase Agreement (“APA”), which the Consumer Advocate has possessed since August 27, 2025, when the parties first met to discuss the proposed transaction in a meeting initiated by the Applicants. Section 2.3 of the APA, contrary to the Consumer Advocate’s argument, sets forth that Spire Inc. will assume substantially all of Piedmont’s Tennessee liabilities and obligations:

Assumed Obligations. Upon the terms and subject to the satisfaction of the conditions contained in this Agreement, at the Closing, subject to Section 2.4, Buyer will assume and become responsible to perform, discharge, and pay when due all Liabilities of Seller and its Affiliates, known or unknown, in each case, solely to the extent arising from, based upon, related to or associated with the Business or the Purchased Assets, regardless of whether such Liabilities arose prior to, on or after the Effective Time (unless otherwise specified in this Section 2.3 or Section 2.4), including, for the avoidance of doubt, Liabilities relating in any manner to the ownership, operation, and use thereof (the “Assumed Obligations”).

which certificated utility service is rendered and regulated—including applicable tariffs, riders, and alternative regulatory mechanisms. They are integral to the authority being transferred and to uninterrupted service under the Commission’s jurisdiction. Further, a grant of “full authority” does not suggest that a parsing of individual tariffs, riders, or regulatory mechanisms is necessary or appropriate under Tenn. Code Ann. § 65-4-113 at the time of the transaction.⁶

Further, Tennessee’s settled canons of statutory construction require courts to apply statutory text according to its plain meaning, without forced or subtle constructions that narrow the legislature’s words, and to refrain from substituting policy judgments for the choices reflected in enacted language. The Tennessee Supreme Court has repeatedly emphasized that where statutory language is “plain, clear, and unambiguous,” the duty is to enforce it as written, not to engraft limitations that the legislature did not include. Tenn. Code Ann. § 65-4-113 is unambiguous in granting the transferee “full authority” to provide the transferred services. However, the Consumer Advocate contends that Spire Tennessee is not eligible for an annual rate review because it cannot satisfy the criteria set forth in Tenn. Code Ann. § 65-5-103(d)(6).

To the extent Tenn. Code Ann. § 65-4-113 is deemed to be ambiguous or in conflict with Tenn. Code Ann. § 65-5-103(d)(6), the doctrine of *in pari materia* requires statutes addressing the same subject be construed harmoniously to give effect to each. Consistent with those rules, the directive in Tenn. Code Ann. § 65-4-113 to vest the transferee with

⁶ The Consumer Advocate suggests that the language of the statute relating to the transfer of “all or any part” of the transferring utilities authority provides the Commission with freedom to parse the authority transferred, but the Applicants submit that this is an improper reading of the statute. The discretion to propose the transfer of “all or any part” of the operating utilities authority clearly lies with the operating utility under the statute as it is describing what can be proposed for transfer. The Applicants acknowledge that the Commission retains its full scope of regulatory powers under other statutory provisions.

“full authority” includes the authority to conduct annual rate reviews in accordance with the Commission-approved ARM.

Consistent with Tenn. Code Ann. § 65-4-113, the Applicants propose to transfer all of Piedmont’s authority to provide utility services and in doing so to preserve the existing rates and authorized mechanisms, on an interim basis,⁷ exactly as customers receive service today. This proposal will allow Spire Tennessee to step into Piedmont’s shoes in the provision of ongoing service to customers and fully preserves the Commission’s continuing jurisdiction. This approach honors the legislature’s direction that a properly qualified transferee be vested with the full authority to provide the transferred services.

II. LEGAL STANDARD

The legal standard governing this proceeding is Tenn. Code Ann. § 65-4-113, which provides:

(a) No public utility, as defined in § 65-4-101, shall ***transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity*** issued by the commission, to any individual, partnership, corporation or other entity without first obtaining the approval of the commission.

(b) Upon petition for approval of the transfer of authority to provide utility services, the commission shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The commission ***shall approve the transfer after***

⁷ As reflected in this brief, as well as on pages 9 and 12 of the Applicants’ September 8, 2025, Application (e.g., “*Interim Adoption of Piedmont Rates, Tariffs, and Regulatory Requirements*” (emphasis added)), the Applicants do not request transfer of Piedmont’s authorizations to Spire Tennessee pursuant to § 65-4-113 in perpetuity. Said another way, at no point in the nearly five months of this proceeding through discovery, testimony, the Application, or otherwise have the Applicants requested transfer of Piedmont’s ARM and other related authorizations to Spire Tennessee *on any timeframe other than an interim basis*. As contemplated by the clear and unambiguous terms of § 65-4-113(c), following approval of such a transfer, Spire Tennessee would be subject to this Commission’s continuing jurisdiction, which naturally would involve a comprehensive setting of rates for Spire Tennessee based on its own cost of service after the completion of a necessary transition period.

consideration of all relevant factors and upon finding that such transfer furthers the public interest.

(c) Following approval of the transfer pursuant to this section, *the transferee shall be granted full authority to provide the transferred services subject to the continuing regulation of the commission.* The transferor shall no longer have any authority to provide the transferred services, but shall retain authority to provide other services, if any are retained, which were not included in such transfer.

(emphasis added).

III. ARGUMENT

A. **Tenn. Code Ann. § 65-4-113 unambiguously authorizes the transfer of Piedmont’s full “authority to provide utility services” to Spire Tennessee.**

i. Principles of Statutory Construction

Tennessee courts direct that the most “basic rule of statutory construction is to ascertain and give effect to the intention and purpose of the legislature.” *Carson Creek Vacation Resorts, Inc. v. State Dep’t. of Revenue*, 865 S.W.2d 1, 2 (Tenn. 1993). In determining legislative intent and purpose, a court must not “unduly restrict[] or expand[] a statute’s coverage beyond its intended scope.” *Worley v. Weigels, Inc.*, 919 S.W.2d 589, 593 (Tenn. 1996) (quoting *Owens v. State*, 908 S.W.2d 923, 926 (Tenn. 1995)). Rather, a court ascertains a statute’s purpose from the plain and ordinary meaning of its language, “without forced or subtle construction that would limit or extend the meaning of the language.” *Carson Creek Vacation Resorts, Inc.*, 865 S.W.2d at 2; *see also Westland West Community Ass’n v. Knox County*, 948 S.W.2d 281, 283 (Tenn. 1997).

When a statute is without contradiction or ambiguity, there is no need to force its interpretation or construction, and courts are not at liberty to depart from the words of the statute. *See Hawks v. City of Westmoreland*, 960 S.W.2d 10, 16 (Tenn. 1997). “If the words

of a statute plainly mean one thing they cannot be given another meaning by judicial construction.” *Henry v. White*, 194 Tenn. 192, 198, 250 S.W.2d 70,72 (1952).

Finally, it is not for the courts to alter or amend a statute. *See Town of Mount Carmel v. City of Kingsport*, 217 Tenn. 298, 306, 397 S.W.2d 379, 382 (1965); *see also Richardson v. Tennessee Bd. of Dentistry*, 913 S.W.2d 446, 453 (Tenn. 1995). Moreover, a court must not question the “reasonableness of [a] statute or substitut[e] [its] own policy judgments for those of the legislature.” *BellSouth Telecomms., Inc. v. Greer*, 972 S.W.2d 663, 673 (Tenn. Ct. App. 1997). Instead, courts must “presume that the legislature says in a statute what it means and means in a statute what it says there.” *Id.* Accordingly, courts must construe a statute as it is written. *See Jackson v. Jackson*, 186 Tenn. 337, 342, 210 S.W.2d 332, 334 (1948).

ii. Plain Language of Tenn. Code Ann. § 65-4-113

Applying those settled principles, the plain language of Tenn. Code Ann. § 65-4-113 authorizes transfer of “all or any part” of a utility’s “authority to provide utility services” derived from its certificate and confers “full authority” on the transferee subject to continuing Commission regulation. First, nothing in the text of Tenn. Code Ann. § 65-4-113 suggests that the Commission lacks authority to convey to Spire Tennessee the full scope of Piedmont’s utility authorizations to include all approved tariffs, riders, or Commission-approved rate mechanisms through which service is provided and regulated. To the contrary, the statute explicitly and unambiguously provides the Applicants with the right to request such relief and the Commission with the power to grant such relief. Second, Piedmont—like many other utilities subject to the Commission’s jurisdiction—provides utility services pursuant to various tariffs, riders, and other regulatory mechanisms.

Piedmont’s authority to do so is derived from its certificate of public convenience necessity and prior Commission orders approving those tariffs, riders, and regulatory mechanisms. A plain and ordinary reading of the words, without a forced interpretation, requires the conclusion that Piedmont is entitled to request transfer of its full authority to provide utility services, including its ARM, and the Commission is plainly authorized and empowered to grant that request.

While neither Tenn. Code Ann. § 65-4-113 nor any other provision in Chapter 4 of Title 65 expressly defines “authority,” the ordinary reading of “authority” equates to a “right”⁸ delegated or given that enables a utility to serve customers. Moreover, the plain and ordinary meaning of “all”⁹ means the “totality” of Piedmont’s authority. Read in its ordinary sense, “authority” should encompass the bundle of Commission-approved authorizations that allow a certificated utility to serve customers, and “all” means the totality of that bundle.

B. To the extent Tenn. Code Ann. § 65-4-113 is ambiguous, Tennessee law requires the Commission to read Tenn. Code Ann. § 65-4-113 *in pari materia* with Tenn. Code Ann. § 65-5-103(d)(6).

Before addressing the statutory canon of *in pari materia*, it is necessary to outline the Consumer Advocate’s position. The Consumer Advocate does not identify any language in Tenn. Code Ann. § 65-4-113 that limits the Commission’s authority to transfer Piedmont’s “full authority,” nor does it offer a textual interpretation of Tenn. Code Ann. § 65-4-113 that would prohibit a transfer of an already approved ARM together with the rest of Piedmont’s tariffed authorizations.¹⁰ Instead, the Consumer Advocate relies on Tenn.

⁸ Merriam-Webster; definition of “authority”; <https://www.merriam-webster.com/dictionary/authority>.

⁹ Merriam-Webster; definition of “all”; <https://www.merriam-webster.com/dictionary/all>.

¹⁰ The ARM is fully incorporated into Piedmont’s Tennessee tariffs as Service Schedule No. 318. Similarly, Piedmont’s Purchased Gas Adjustment (PGA) Rider, Weather Normalization Adjustment (WNA) Rider, and

Code Ann. § 65-5-103(d)(6) to seek to qualify the scope of Tenn. Code Ann. § 65-4-113. The Consumer Advocate argues that Spire Tennessee cannot operate under Piedmont's ARM because Tenn. Code Ann. § 65-5-103(d)(6) requires the ARM to be "based upon the methodology adopted in its most recent rate case" and that the public utility must have "engaged in a general rate case within the past five years to be eligible to opt into an ARM." As a result, the Consumer Advocate takes the position that Spire Tennessee "will no longer meet the criteria for submitting an ARM filing."

The Consumer Advocate's argument, however, misapprehends the nature of the Applicants' request in this proceeding and the scope of Tenn. Code Ann. § 65-5-103(d)(6). The Applicants are not seeking to *establish* a new ARM; they are seeking approval to transfer Piedmont's existing, Commission-approved ARM *on an interim basis* to preserve continuity of service and regulation, with ongoing Commission oversight. Further, even if the Applicants were seeking establishment of an ARM for Spire, the statute would still not be a bar to such relief as Tenn. Code Ann. § 65-5-103(d)(6) itself confirms that the "rate case" eligibility prerequisite may be waived by the Commission.¹¹

Piedmont maintains that Tenn. Code Ann. § 65-4-113 is unambiguous and permits the transfer of its ARM to Spire Tennessee and that the Consumer Advocate's argument that the ARM should not transfer attempts to create ambiguity where there is none by

Performance Incentive Plan are incorporated into Piedmont's Tennessee tariffs as Service Schedule Nos. 311, 315, and 316, respectively.

¹¹ The Applicants did not initially seek such a waiver because of their collective belief that the transaction proposed in this proceeding is governed by Tenn. Code Ann. § 65-4-113 rather than by Tenn. Code Ann. § 65-5-103(d)(6), but respectfully ask for such a waiver to the extent the Commission concludes Tenn. Code Ann. § 65-5-103(d)(6) governs. Such a waiver would be appropriate here inasmuch as Spire obviously does not have a general rate proceeding upon which to rely. Further, based on the clear and unambiguous language of § 65-5-103(d)(6)(B), there is no requirement that a utility "request" a waiver of the rate case requirement prior to establishment of an ARM in order for the Commission to have the power to grant such waiver. The statutory language is clear that "the commission may waive such requirement or increase the eligibility period upon a finding that doing such would be in the public interest." (emphasis added).

misapplying the terms of Tenn. Code Ann. § 65-5-103(d)(6) to a situation where it has no applicability. However, to the extent the Commission is inclined to give the Consumer Advocate’s argument any weight, Tenn. Code Ann. § 65-4-113 must be read *in pari materia* with Tenn. Code Ann. § 65-5-103(d)(6) to give the intended effect to both statutes. As discussed below, the outcome is still the same—Piedmont’s ARM should properly transfer to Spire Tennessee upon closing.

Tennessee courts apply *in pari materia* “only when the terms of a statute to be construed are ambiguous or its significance is doubtful, and the rule is not to be applied to effect a construction contrary to the clearly manifest intent of the legislature.” *See Stevens v. Linton*, 229 S.W.2d 510 (Tenn. 1950). If “the parties derive different interpretations from the statutory language, an ambiguity exists, and [the court] must look to the entire statutory scheme in seeking to ascertain legislative intent.” *Owens v. State*, 908 S.W.2d 923, 926 (Tenn. 1995).¹²

Tennessee courts “assume that whenever the legislature enacts a provision, it is aware of other statutes relating to the same subject matter.” *Wilson v. Johnson County*, 879 S.W.2d 807, 810 (Tenn. 1994). Unless the newer statute expressly repeals or amends the old one, the new provision is presumed to be in accord with the same policy embodied in the prior statutes. *Id.* Therefore, statutes *in pari materia*—those relating to the same subject or having a common purpose—are to be construed together, and the construction of one such statute, if doubtful, may be aided by considering the words and legislative intent indicated by the language of another statute.” *Id.* at 809. Statutes on the same subject,

¹² “In ascertaining the intent of the legislature, this Court may look to ‘the language of the statute, its subject matter, the object and reach of the statute, the wrong or evil which it seeks to remedy or prevent, and the purpose sought to be accomplished in its enactment.’” *State v. Gilliland*, 22 S.W.3d 266, 275 (Tenn. 2000) (quoting *State v. Lewis*, 958 S.W.2d 736, 739 (Tenn. 1997)).

although in apparent conflict, are construed to be in harmony if reasonably possible. *Shorts v. Bartholomew*, 278 S.W.3d 268, 277 (Tenn. 2009).

This statutory canon rests on two core principles: “that the body of the law should make sense,” and “that it is the responsibility of the courts, within the permissible meanings of the text, to make it so.” *Falls v. Goins*, 673 S.W.3d (Tenn. 2023).

Case law in Tennessee is scant regarding what is required for statutes to “relate to the same subject matter or have a common purpose,” leaving courts with rather broad discretion in making such determinations. One theory on the subject proposes that, “[t]o determine whether two statutes are *in pari materia* is simply to ask whether those two statutes belong together in a single subcategory of the law that, as a normative matter, ought to cohere.” *Falls v. Goins*, 673 S.W.3d 173, 181 (Tenn. 2023) (citing Anuj C. Desai, *The Dilemma of Interstatutory Interpretation*, 77 Wash. & Lee L. Rev. 177, 197 (2020)). Another theory places boundaries around statutory text, and considers statutory “context” within those boundaries. *Id.* Section 65-4-113 and § 65-5-103(d)(6) address distinct functions within the same “subcategory of the law.”

- i.* *Tenn. Code Ann. § 65-5-103(d)(6), the later enacted statute, is presumed to be in accord with policy embodied in the earlier enacted statute, Tenn. Code Ann. § 65-4-113.*

Tenn. Code Ann. § 65-5-103(d)(6), enacted on April 19, 2013, is presumed to be in accord with the same policy embodied in the earlier statute, that is Tenn. Code Ann. § 65-4-113, which was enacted on March 8, 1993. Tennessee law presumes that when the General Assembly enacts a statute addressing a subject already covered by existing law, it legislates with awareness of the earlier enactment and in continuity with its policy unless it clearly provides otherwise. Courts therefore construe related statutes together and

presume that the newer provision “is in accord with the same policy embodied in the prior statutes,” absent an express repeal or amendment. Applying that presumption here, if the legislature had intended to repeal or limit Tenn. Code Ann. § 65-4-113, specifically in reference to the transferability of an approved ARM, it easily could have done so when it enacted the Alternative Ratemaking statute. Tenn. Code Ann. § 65-5-103(d)(6) should be read to be in accord with the same policy embodied in Tenn. Code Ann. § 65-4-113, permitting the transfer of a public utility’s “full authority to provide utility services.” In short, the Consumer Advocate’s reliance on Tenn. Code Ann. § 65-5-103(d)(6) in this instance is misplaced, as Tenn. Code Ann. § 65-4-113 is the applicable statute governing the transferability of Piedmont’s utility authorizations to Spire Tennessee.

- ii. *A harmonious reading of Tenn. Code Ann. § 65-4-113 and Tenn. Code Ann. § 65-5-103(d)(6) reconciles that Piedmont’s ARM should transfer to Spire Tennessee.*

When read *in pari materia*, Tenn. Code Ann. § 65-4-113 and § 65-5-103(d)(6) can be harmonized to allow the transfer of Piedmont’s ARM to Spire Tennessee while remaining subject to the Commission’s ongoing oversight. By design, Tenn. Code Ann. § 65-4-113 allows the transfer of “full authority[,]” i.e., the full bundle of Commission-approved authorizations that comprise the utility’s operating authority, which includes tariffs, riders, and other rate mechanisms—to move to the qualified transferee, with the Commission’s jurisdiction continuing on day one.

Tenn. Code Ann. § 65-5-103(d)(6) governs the establishment and ongoing administration of an ARM. Tenn. Code Ann. § 65-5-103(d)(6), provides, in pertinent part, that:

(A) A public utility may opt to file for an annual review of its rates based upon the methodology adopted in its most recent rate case pursuant to § 65-5-101 and subsection (a), if applicable.

(B) In order for a public utility to be eligible to make an election to opt into an annual rate review, the public utility must have engaged in a general rate case pursuant to § 65-5-101 and subsection (a) within the last five (5) years; **provided, however, that the commission may waive such requirement or increase the eligibility period upon a finding that doing such would be in the public interest.**

...

(Emphasis added).

While Tenn. Code Ann. § 65-5-103(d)(6)(B) sets forth the eligibility for initial authorization for an annual review mechanism, nothing in Tenn. Code Ann. § 65-5-103(d)(6) precludes the transfer of pre-existing authorization for such mechanism under 65-4-113.

Harmonizing Tenn. Code Ann. § 65-4-113 and Tenn. Code Ann. § 65-5-103(d)(6) results in a clear and intuitive framework. In response to a request made pursuant to § 65-4-113, the Commission may approve transfer of the full set of Piedmont's existing regulatory authorizations—including the ARM—to ensure a seamless transition. This places the transferee, here Spire Tennessee, in the identical position to Piedmont to provide utility service in Tennessee. After transfer, the ARM continues to be administered under § 65-5-103(d)(6), with the Commission retaining its full authority to review annual filings, make modifications, terminate the mechanism if no longer in the public interest, or, if appropriate under the circumstances, waive or adjust the five-year rate-case eligibility period upon a public-interest finding. Reading the statutes together in this way gives effect to both: Tenn. Code Ann. § 65-4-113 preserves continuity of authorized service after closing and Tenn. Code Ann. § 65-5-103(d)(6) preserves the Commission's flexible,

ongoing oversight of the ARM.¹³ In other words, Tenn. Code Ann. § 65-5-103(d)(6) regulates the eligibility and methodology for establishing and administering an ARM, while Tenn. Code Ann. § 65-4-113 ensures that, upon an approved transfer, the already-approved mechanisms that comprise the utility’s operating authority—including the ARM—continue seamlessly with the Commission’s ongoing supervision.

Moreover, Tenn. Code Ann. § 65-5-103(d)(6)(D) expressly establishes the conditions under which an approved annual review plan may be terminated. Among those conditions, the statute does not identify a transfer of authority pursuant to Tenn. Code Ann. § 65-4-113. Interpreting Tenn. Code Ann. § 65-5-103 in the manner urged by the Consumer Advocate and terminating Piedmont’s annual review mechanism because of the transfer would be inconsistent with both Tenn. Code Ann. § 65-4-113 and the express provisions of Tenn. Code Ann. § 65-5-103(d)(6)(D).

For all of these reasons, the Consumer Advocate’s interpretation of Tenn. Code Ann. § 65-5-103(d)(6) frustrates the transfer that Tenn. Code Ann. § 65-4-113 allows, resulting in an improper and conflicting interpretation of the two statutes when they can and should be read in a manner that is consistent.

C. The Consumer Advocate’s selective challenge to the transferability of the ARM is inconsistent and, for this reason, unsound policy.

As noted above, the ARM is one of several Commission-approved ratemaking mechanisms authorized for Piedmont and embedded in Piedmont’s existing tariffs. The Consumer Advocate would hold back only the ARM from transferring, while allowing

¹³ Neither Piedmont nor Spire Tennessee seeks any immediate change to rates, charges, or terms and conditions of service as a result of the transaction. The sole difference at closing will be the identity of the owner and operator, with Spire Tennessee stepping into Piedmont’s shoes under the same Commission-approved tariffs, riders, and mechanisms on an interim basis. Application ¶¶ 8-9, 13-15; Ex. F.

Piedmont’s other tariffed mechanisms—such as the Performance Incentive Plan and Weather Normalization Adjustment—to transfer without objection. There is no basis in Tenn. Code Ann. § 65-4-113 or Tenn. Code Ann. § 65-5-103 or in policy for “cherry-picking” Piedmont’s utility authorizations in this manner. Piedmont’s ARM is simply one of the mechanisms that comprise Piedmont’s tariff and constitute regulatory authorizations necessary to provide service. If Tenn. Code Ann. § 65-4-113 authorizes transfer of one, it authorizes transfer of all.

D. Based on the evidence presented to date, the public interest supports transfer of Piedmont’s ARM to Spire Tennessee.¹⁴

The proposed transaction underlying this docket is an asset sale of Piedmont’s Tennessee operations, equipment, and personnel used to provide utility service. This is a somewhat different type of corporate disposition than a merger, however, the macro effect of this transaction is essentially the same as a merger. At the closing of the proposed transaction, if the relief requested in the Application is granted, Spire Tennessee will succeed to all of Piedmont’s rights, properties, liabilities,¹⁵ service obligations, tariffs, rates and customers within the State of Tennessee.¹⁶ And while it is true that the transfer and integration of these rights, properties, liabilities, service obligations, tariffs, rates and customers is somewhat complicated as between the parties to the proposed transaction

¹⁴ The Applicants will submit additional evidence on the public interest inherent in transferring the entirety of Piedmont’s utility authorizations in their Rebuttal Testimony.

¹⁵ The Consumer Advocate argues that this transaction is different from a merger due to the fact that Asset Sales typically do not involve the assumption of liabilities under Tennessee law. As was noted in footnote 5 above, however, that is not the case here as the APA, in Section 2.3 thereof, clearly anticipates Spire’s assumption of Piedmont’s Tennessee liabilities.

¹⁶ In its Motion (as well as its Direct Testimony), the Consumer Advocate suggests that the Applicants have not properly requested approval of this transaction from the Commission or are somehow disrespectful of the Commission’s authority or the obligations that will devolve onto Spire if the transaction is approved. This position is frankly unfathomable to the Applicants and is contradicted by the Application, the very existence of this docket, and the significant materials filed with the Commission therein.

(both of whom have significant experience in these types of transactions), this transaction is designed to be seamless to customers and literally nothing about their service (except the identity of the provider) is proposed to be changed as a result of this docket.

Consistent with the above, the Applicants have proposed transfer of all of Piedmont's existing approved utility authorizations to Spire Tennessee. Each of the authorizations have been previously found to be consistent with the public interest by this Commission.¹⁷ The Applicants' proposals in this regard are consistent with customer interests by preserving the existing rates and rate mechanisms under which they currently receive service, in effect on an interim basis until such time as the Applicants have effectuated the transfer of utility management and performance of utility functions to Spire Tennessee and Spire Tennessee files its first general rate case. Preserving Piedmont's existing ARM on an interim basis advances the public interest by maintaining stable, consistent terms and conditions of service during the transition, while leaving the Commission's full supervisory tools intact. This proposal, if accepted, will promote stability and familiarity in the continuing provision of utility service to Piedmont's customers, all under terms this Commission has previously expressly approved.¹⁸

For these reasons, the Consumer Advocate's line of argument against the "stepping into the shoes" language used by the Applicants in the Application misconstrues both the Applicants' use of the phrase as well as the governing statutory framework. The

¹⁷ *Order Approving Amended Annual Review of Rates Mechanism*, Docket No. 21-00135 (Nov. 1, 2022); *Order Approving Settlement Agreement Setting ARRM Rates*, Docket No. 25-00036 (Nov. 25, 2025).

¹⁸ The Applicants have referred to this result of the proposed transaction as Spire "stepping into the shoes of Piedmont" as a simple analogy of the experience of customers from the proposals made in this docket. The Applicants believe that this is both accurate and a realistic description of the transactions proposed herein. Applicants acknowledge that the form of the transaction will have implications for future proceedings, and specifically future ratemaking proceedings, but those proceedings (and those issues) are not this proceeding.

Application and supporting testimony use “stepping into the shoes” as an accessible way to explain to the Commission and the public that, immediately following the closing of the proposed transaction, customers would experience continuity in their utility service: the *same* certificated territory, the *same* tariffs and rate mechanisms, and the *same* Commission oversight, with only the identity of the owner-operator changed. The phrase is not invoked as an independent legal doctrine restricting or expanding the Commission’s statutory authority. The source of that authority is, and remains, Tenn. Code Ann. § 65-4-113 and the Commission’s broader regulatory jurisdiction under Title 65.

Given that, as demonstrated above, this Commission clearly has authority to approve the transfer of all of Piedmont’s utility authorizations to Spire, which would automatically include the ARM, the Applicants respectfully submit that such transfer, even on the partial evidence submitted to date, is in the public interest here because of the ongoing interests of customers in the receipt of stable and consistent public utility service pending further regulatory proceedings for Spire going forward.

VI. CONCLUSION

Based upon the foregoing, the Applicants respectfully submit that their request to transfer all of Piedmont’s authorizations to provide utility services, specifically to include Piedmont’s existing approved ARM tariff, to Spire Tennessee, be determined to be within the lawful scope of the Commission’s authority under Tenn. Code Ann. § 65-4-113 and be found ultimately, upon the closure of the evidentiary record in this proceeding, to be in the public interest.

Respectfully submitted this 30th day of December, 2025.

**Joint Counsel for Piedmont Natural Gas
Company, Inc., Spire Inc., and Spire Tennessee
Inc.**

By: /s/ Paul S. Davidson
Paul S. Davidson
Holland & Knight LLP
511 Union Street, Suite 2700
Nashville, Tennessee 37219
(615) 850-8942
paul.davidson@hklaw.com

By: /s/ James H. Jeffries IV
James H. Jeffries, IV
Brian L. Franklin
Charlotte A. Mitchell
McGuireWoods LLP
201 North Tryon Street, Suite 3000
Charlotte, North Carolina 28202
JHJ Telephone: (704) 343-2348
BLF Telephone: (704) 343-2078
CAM Telephone: (919) 835-5978
jjeffries@mcguirewoods.com
bfranklin@mcguirewoods.com
camitchell@mcguirewoods.com

Counsel for Spire Inc. and Spire Tennessee Inc.

By: /s/ Henry M. Walker
Henry M. Walker
Bradley Arant Boult Cummings
1221 Broadway, Suite 2400
Nashville, Tennessee 37203
(615) 252-2363
hwalker@bradley.com