

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

IN RE:)	
)	Electronically Filed in TPUC Docket Room
APPLICATION OF PIEDMONT)	on September 29, 2025 at 1:42 p.m.
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 FIRST SET OF DISCOVERY REQUESTS
TO PIEDMONT NATURAL GAS COMPANY**

This First Set of Discovery Requests is hereby served upon Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”), 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 Tennessee Office of the Attorney General (“Consumer Advocate”) requests that full and complete responses be provided pursuant to 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 B. Glover on or before Friday, October 10, 2025, at 2:00 p.m. CST.

PRELIMINARY MATTERS AND DEFINITIONS

1. **Continuing Request.** These discovery requests are to be considered continuing in nature and are to be supplemented from time to time as information is received by the Company and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.

2. **Clear References.** To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.

3. **Format of Responses.** Provide all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to audit and analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.

4. **Objections.** If any objections to this discovery are raised based on privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document, and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

5. **Singular/Plural.** The singular shall include the plural, and vice-versa, where appropriate.

6. **Definitions.** As used in this Request:

(a) “You,” “Your,” “Company,” or “Piedmont” shall mean Piedmont Natural Gas Company, Inc. and all employees, agents, attorneys, representatives, or any other person acting or purporting to act on its behalf.

(b) “Affiliate” shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater clarification, “control” is the ownership of 20% or more of the shares of stock entitled to vote for the election of directors in the case of a corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term “Affiliate” shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an “Affiliate”.

(c) “Communication” shall mean any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings, and personal conversations, or otherwise.

(d) “Document” shall have the broadest possible meaning under applicable law. “Document” shall mean any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made?

(e) “Person” shall mean any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.

- (f) “Identify” with respect to:
- i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person’s relationship, whether business, commercial, professional, or personal with you;
 - ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and current or last known business address of such person or entity (if no business address is available provide any address known to you);
 - iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and
 - iv. Any oral communication, means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.
- (g) “And” and “or” shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.
- (h) “Including” shall be construed to mean including but not limited to.

FIRST SET OF DISCOVERY REQUESTS

1-1. Capital Expenditures. Identify separately the Capital Expenditures for (a) Piedmont-Tennessee, and (b) Allocated portion of corporate capital expenditures by year for the period 2020 – 2025 to date, further segregated by (i) Safety and Reliability, (ii) Customer Expansion, (iii) government-mandated relocations, and (iv) Other.

RESPONSE:

1-2. Capital Expenditures. Provide the five-year capital expenditure forecast of Piedmont-Tennessee for the period 2025–2029, prepared before the announcement of the sale of the system to Spire.

RESPONSE:

1-3. Purchase Price. The paragraph below can be found on page 58 of Duke Energy’s 2024

10k:

One of the most significant assumptions used in determining the fair value of reporting units under the market approach is the use of implied market multiples for certain peer companies. Management selects comparable peers based on each peer’s primary business mix, operations, and market capitalization compared to the applicable reporting unit and calculates implied market multiples based on available projected earnings guidance and peer company market values as of August 31. The implied market multiples used for calculating the fair values as of August 31, 2024, for each of Duke Energy’s reporting units ranged from 9.1 to 11.7.

Provide the market multiple that equates to the purchase price paid by Spire to Piedmont-Tennessee’s system.

RESPONSE:

1-4. Piedmont PHMSA Report. Provide a copy of the 2024 Piedmont-Tennessee Pipeline and Hazardous Materials Safety Administration (“PHMSA”) annual report.

RESPONSE:

1-5. Purchase Price. Refer to the Direct Testimony of Mike Switzer on page 7, line 12 through page 9, line 18. Confirm or deny that the Spire bid represented the proposal yielding the most significant financial value to Duke Energy. If denied, describe the financial offer made by the party that was greater than that of Spire, but which was not selected by Duke Energy. The name or other identifying characteristics of the party need not be shared.

RESPONSE:

1-6. Gain on the Sale. Identify the pre-tax and after-tax gain that will be recorded on the books of Duke Energy associated with this transaction, including any goodwill from previous

transactions that will be assigned. Include in this response an explanation of how Duke Energy will record the transaction.

RESPONSE:

1-7. Due Diligence. Provide a copy of all documents made available by Piedmont and/or Duke Energy to potential acquirers of Piedmont-Tennessee. This response includes information provided to Spire, information made available for Spire’s review, and any information accessible to entities other than Spire.

RESPONSE:

1-8. Due Diligence. Provide any internal Piedmont and/or Duke Energy reports prepared since January 1, 2024, that discuss existing opportunities to expand gas usage among the commercial and/or industrial classes of Piedmont-Tennessee.

RESPONSE:

1-9. Due Diligence. Provide any internal Piedmont and/or Duke reports prepared since January 1, 2024, that discuss existing opportunities to expand gas usage within the condominium and apartment markets within Piedmont-Tennessee’s service territory.

RESPONSE:

1-10. Construction Costs. Provide the loading rate applied to Piedmont-Tennessee construction costs in 2024. Provide each component of the loading rate, identifying the various costs comprising the employee-related portion of the rate.

RESPONSE:

1-11. Expenses. Provide the total 2024 expenses by FERC account per books, unadjusted for regulatory-type adjustments adopted in ARM filings. Also provide a column identifying all labor and labor-related expenses by FERC account for those employee costs that will be transferred to Spire-Tennessee under the transaction.

RESPONSE:

1-12. Expenses. Provide pro-forma 2026 and 2027 total Piedmont budgeted financial statements that forecast estimated transition costs to be received from Spire because of this transaction. Provide all the detailed information that exists concerning these forecasted expense reimbursements.

RESPONSE:

1-13. Expenses. Provide a copy of all written information provided to regulators and Consumer Advocate representatives in the states of North Carolina and South Carolina related to this transaction. This information request is ongoing and should be supplemented as information is provided. This information should include responses provided via e-mail.

RESPONSE:

1-14. Purchase Price. Provide copies of any reports or advice provided to Duke Energy or Piedmont by investment bankers or any other representatives or members of the investment community regarding the valuation of Piedmont-Tennessee.

RESPONSE:

1-15. Use of Funds. Refer to the Direct Testimony of Mike Switze on page 3, lines 10-13. Mr. Switzer states that “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.” Respond to the following:

- a. Will Duke Energy have any customers in Tennessee after the transaction?
- b. Identify all portions of Duke Energy’s five-year capital plan that is in Tennessee and will be funded by the transaction.

RESPONSE:

1-16. Access to Capital. Refer to the Direct Testimony of Mike Switze on pages 6 and 7.

Specifically, he states:

“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. . . . we are still running a business and at times have to make tough decisions for the sake of improving the overall enterprise.

- a. Confirm that Piedmont has consistently made all capital expenditures necessary to maintain a safe and reliable gas system in Tennessee; and
- b. Confirm or deny that absent this transaction, Piedmont would continue making the necessary capital expenditures to provide safe and reliable service.

RESPONSE:

1-17. Customer Benefits. Refer to the Direct Testimony of Mike Switze on page 8, lines 8-13.

Specifically, he states:

“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.”

- a. Define the term “benefits” as the Company understands it in this context. Are these benefits a result from the transaction that would not otherwise exist under Piedmont’s operation?
- b. Identify the “quantifiable benefits” in Exhibit F. Explain if any of these are new or improved benefits that would not exist under the current operations.

- c. Is Spire able to provide safer and more reliable service than what is currently being provided or would be provided absent the transaction?

RESPONSE:

1-18. Actuarial. Provide a copy of Piedmont’s most recent actuarial study. To the extent that there are differing studies associated with Piedmont and those specific to Piedmont-Tennessee, provide a copy of both studies.

RESPONSE:

1-19. Employee Benefits. Provide the following pension-related liability amounts associated with Piedmont-Tennessee employee obligations as of December 31, 2024:

- a. Projected Benefit Obligation;
- b. Accumulated Benefit Obligation;
- c. Vested Benefit Obligation; and
- d. Pension assets.

RESPONSE:

1-20. Accounting. Provide the estimated journal entry to be recorded at the date of closing to record the implications of the transaction on Piedmont’s pension obligations. For purposes of this response use December 31, 2024, pension asset and liability information.

RESPONSE:

1-21. Employee Communication. Provide a copy of all information provided to existing Piedmont-Tennessee employees concerning the pending sale to Spire.

RESPONSE:

1-22. Accounting. Refer to the Petition, Confidential Exhibit A, [REDACTED] that references [REDACTED]. Identify the nature and amount of [REDACTED] that Piedmont anticipates will be transferred to Spire because of this transaction.

RESPONSE:

1-23. Accounting. Refer to the Petition, Confidential Exhibit A, [REDACTED], subparts (c) and (e). Identify all [REDACTED] identified within each of these two subparts. Groupings such as “[REDACTED]” and “[REDACTED]” should be provided rather than listing each asset. However, identify all [REDACTED] with a recorded [REDACTED] [REDACTED] or more on the books of Piedmont-corporate that will not be transferred pursuant to the Sales Agreement.

RESPONSE:

1-24. Accounting. Refer to the Petition, Confidential Exhibit A, [REDACTED]. Provide an explanation and the amount of all [REDACTED] that are incorporated within this section of the contract.

RESPONSE:

1-25. Contracts. Refer to the Petition, Confidential Exhibit A, [REDACTED]. Identify the nature of all [REDACTED] to which the [REDACTED] is a [REDACTED].

RESPONSE:

1-26. Accounting. Refer to the Petition, Confidential Exhibit A, [REDACTED]. Identify any [REDACTED] made by Piedmont that are outstanding with any [REDACTED] [REDACTED], that request a [REDACTED]. The response should include the [REDACTED] and the [REDACTED].

RESPONSE:

1-27. Accounting. Provide a detailed balance sheet of Piedmont-Tennessee, as of December 31, 2024, by FERC account. For each account balance, identify the amount of assets and liabilities that will be (a) transferred to Spire, and (b) retained by Piedmont.

RESPONSE:

1-28. Liabilities. Regarding the costs associated with Manufactured Gas Plants (“MGP”), provide the following:

- a. Accrued expenses that Piedmont has recorded by year for the period 2016 – 2024;
- b. Amounts paid for environmental MGP-related costs;
- c. The ADIT balance associated with MGP-related book-tax timing differences;
- d. Net MGP-related liability recorded on the books of Piedmont and provide data that supports that recording; and
- e. Discuss the implications for Piedmont’s customers associated with this transaction in terms of the MGP costs they have incurred through rates versus those costs that will be incurred in the future.

RESPONSE:

1-29. Accounting. Provide Piedmont’s perspective on the justification for the [REDACTED] [REDACTED] asset in light of the fact that [REDACTED] [REDACTED] will be [REDACTED].

RESPONSE:

1-30. Records. Provide a detailed overview of the records that will be transferred to Spire under the terms of the Agreement, including but not limited to accounting, finance, GIS, plant accounting, operational data, and customer-related data.

RESPONSE:

1-31. Records. Provide a detailed explanation of the obligation Piedmont will have under the terms of the agreement going forward to provide data and/or information to Spire in response to inquiries from regulators, or to support future regulatory filings made by Spire-Tennessee with the Tennessee Public Utilities Commission.

RESPONSE:

1-32. Liabilities. Refer to Confidential Exhibit A provided within the Petition, [REDACTED]. Confirm that Piedmont [REDACTED] for the [REDACTED] and that this will [REDACTED] of the [REDACTED]. If this is not confirmed, provide a [REDACTED] and identify the [REDACTED].

RESPONSE:

1-33. Installation Costs. Provide existing documentation prepared since January 1, 2024, demonstrating Piedmont's efforts to control the installed costs of:

- a. Mains; and
- b. Service Lines.

RESPONSE:

1-34. Performance. Provide a copy of all Key Performance Indicators used by Piedmont to measure the performance of Piedmont-Tennessee operations, for the 2020 – 2024 period.

RESPONSE:

1-35. Transaction Costs. How are the legal costs incurred by the following firms being assigned between Piedmont and Spire, associated with representation before the Commission:

- a. Holland and Knight LLP;
- b. McGuire Woods LLP; and

c. Bradley Arant Boult Cummings.

Provide the underlying rationale for the assignment of costs between Spire/Piedmont associated with each of these vendors.

RESPONSE:

1-36. Purchase Price. Provide an overview of how the Piedmont-Tennessee sale and bidding process was conducted. Provide internal documents summarizing and comparing the various bids received for the Piedmont-Tennessee service territory.

RESPONSE:

1-37. Expenses. Assume the transaction closes on March 1, 2026. Identify the maximum time period for which Transition Services may be received by Spire, assuming all Extension Options are exercised.

RESPONSE:

1-38. Expenses. Explain specifically how the internal labor time incurred by Piedmont related to Transition Services will be charged to Spire-Tennessee.

RESPONSE:

1-39. Expenses. Identify the underlying cost incurred and allocated to Piedmont-Tennessee's operations in 2024 for each technology-related service that will be provided within the Transition Service Agreement.

RESPONSE:

RESPECTFULLY SUBMITTED,

VICTORIA B. GLOVER (BPR No. 037954)

Assistant Attorney General

VANCE L. BROEMEL (BPR No. 011421)

Senior Assistant Attorney General

Office of the Tennessee Attorney General

Consumer Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 360-4219

Fax: (615) 741-1026

Email: Victoria.Glover@ag.tn.gov

Email: Vance.Broemel@ag.tn.gov

TPUC Docket No. 25-00074

CA's 1st DR to Piedmont

CERTIFICATE OF SERVICE

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

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

Paul S. Davison, Esq.
Holland & Knight LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Email: paul.davidson@hklaw.com

James H. Jeffries IV, Esq.
McGuire Woods LLP
201 North Tryon Street, Suite 3000
Charlotte, NC 28202
Email: jjeffries@mcguirewoods.com

Brian L. Franklin, Esq.
Charlotte A. Mitchell
McGuire Woods LLP
201 North Tryon Street, Suite 3000
Charlotte, NC 28202
Email: bfranklin@mcguirewoods.com
Email: camitchell@mcguirewoods.com

This the 29th day of September, 2025.

VICTORIA B. GLOVER
Assistant Attorney General