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Electronically Filed in TPUC Docket  
Room on October 14, 2025 at 9:02 a.m.

October 14, 2025

## **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:

Pursuant to the Joint Procedural Schedule, enclosed for filing please find Piedmont Natural Gas Company, Inc.'s responses to the *Consumer Advocate Division's First Discovery Request* in the above-referenced docket. In addition to the tabbed and bound copy of the responses, you will find four flash drives, two of which contain all public responses and attachments in native format and two flash drives which contain the confidential responses and attachments to be filed under seal.

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

A PDF of the public responses 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 our office courier.

October 14, 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  
Brian S. Heslin  
Pia K. Powers  
Eddie Davidson  
Greer Mendelow  
Amanie Isaac  
Mike Switzer  
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](mailto: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](mailto:Shilina.Brown@ag.tn.gov)

This, the 14th day of October, 2025.

/s/ Paul S. Davidson  
Paul S. Davidson

**PUBLIC VERSION**

**PIEDMONT NATURAL GAS COMPANY, INC.  
DOCKET NO. 25-00074  
CONSUMER ADVOCATE'S FIRST SET OF DISCOVERY REQUESTS  
DATE ISSUED: SEPTEMBER 29, 2025  
DATE DUE: OCTOBER 10, 2025**

**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:** Please see attachment <CA DR 1-1 Attachment - CapEx 2020-08.2025 Response.xlsx> provided herewith.

**Name and title of responsible person:** Jaime Reynolds, Director Natural Gas Finance Business Support

**Name and title of preparer:** Jaime Reynolds, Director Natural Gas Finance Business Support

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
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1-1 Attachment

Attachment Provided in Native Format

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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:** The Tennessee direct capital expenditure plan, excluding AFUDC, prior to the sale is:

- **2025:** 163,304,030
- **2026:** 157,930,596
- **2027:** 100,462,600
- **2028:** 106,124,925
- **2029:** 108,205,715

**Name and title of responsible person:** Jaime Reynolds, Director, Natural Gas Financial Business Support

**Name and title of preparer:** Jaime Reynolds, Director, Natural Gas Financial Business Support

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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**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:** Duke Energy did not prepare or publish any market multiples that used projected earnings that correspond with the multiples used in the referenced fair value analysis.

**Name and title of responsible person:** Mike Switzer, Vice President, Corporate Development

**Name and title of preparer:** Hayes Wilkerson, Corporate Development Manager

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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

**RESPONSE:** Attached are the PHMSA annual reports for transmission, distribution and liquefied natural gas (“LNG”). The transmission report is a combined three-state report for North Carolina, South Carolina, and Tennessee; however, there is data broken out for Tennessee for review. The North Carolina and Tennessee LNG annual reports are also combined. This information is publicly available on the PHMSA website therefore data outside Tennessee is not redacted.

Please see attachments provided herewith:

<CA DR 1-4 Attachment 1 of 3 - 2024\_NC\_SC\_TN\_Transmission\_Supplemental.pdf>,

<CA DR 1-4 Attachment 2 of 3 - 2024\_PNG\_LNG.pdf>, and

<CA DR 1-4 Attachment 3 of 3 - 2024\_TN\_Distribution.pdf>.

**Name and title of responsible person:** Mara Sikora - Director Asset Risk Management

**Name and title of preparer:** Mara Sikora - Director Asset Risk Management

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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1-4 Attachments

Attachments Provided Electronically

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**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:** Yes, the Spire bid represented the proposal yielding the most significant financial value to Duke Energy.

**Name and title of responsible person:** Mike Switzer, Vice President, Corporate Development

**Name and title of preparer:** Hayes Wilkerson, Corporate Development Manager

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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- 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:** Subject to regulatory approval and customary closing conditions, total proceeds due at closing for the sale of Piedmont Natural Gas' local distribution business in Tennessee to Spire, Inc. is \$2.48 billion, pending closing adjustments. Approximately \$800 million of the proceeds will be used for debt reduction at Piedmont, with the remaining \$1.5 billion to help efficiently fund Duke Energy's five-year capital plan focused on modernizing infrastructure and meeting customer growth. The expected gain on sale, as well as goodwill assigned from previous transactions, has not yet been finalized or disclosed in advance of our third quarter SEC filings.

**Name and title of responsible person:** Linda Miller, Director, Gas & Fuel Accounting

**Name and title of preparer:** Linda Miller, Director, Gas & Fuel Accounting

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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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:** Please provide the names and email address of individuals that will need access to the virtual Datasite. Piedmont will provide access. All materials available through the data room are considered by Piedmont to be **CONFIDENTIAL**.

**Name and title of responsible person:** Mike Switzer, Vice President, Corporate Development

**Name and title of preparer:** Hayes Wilkerson, Corporate Development Manager

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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**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:** Piedmont does not generate or prepare reports directed at expanding natural gas usage. We install infrastructure based on customer demand and forecast usage based on historical averages to predict growth in a territory or market. Additionally, we review industry public information like census data, parcel recordation's, permit data, homebuilding starts, and sales, etc. to understand the pace of the markets, in this case commercial and/or industrial. However, as mentioned, we do not speculatively install infrastructure to increase usage, so it is not something we report on.

**Name and title of responsible person:** Jeremy Koster, Vice President, Gas Planning & Optimization

**Name and title of preparer:** Jeremy Koster, Vice President, Gas Planning & Optimization

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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**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:** Piedmont does not generate or prepare reports directed at expanding natural gas usage. We install infrastructure based on customer demand and forecast usage based on historical averages to predict growth in a territory or market. Additionally, we review industry public information like census data, permit data, homebuilding starts, and sales, etc. to understand the pace of the markets, in this case apartments and condominiums. However, as mentioned, we do not speculatively install infrastructure to increase usage, so it is not something we report on.

**Name and title of responsible person:** Jeremy Koster, Vice President, Gas Planning & Optimization

**Name and title of preparer:** Jeremy Koster, Vice President, Gas Planning & Optimization

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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**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:** The loading rate applied to Tennessee construction costs is 7.6%. This includes employee-related costs of benefits, incentives, and payroll tax. Also included are material & stores loaders, vehicle costs, and indirect overheads including corporate service company costs.

**Name and title of responsible person:** Jaime Reynolds, Director Natural Gas Finance Support

**Name and title of preparer:** Jaime Reynolds, Director Natural Gas Finance Support

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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**1-11. Expenses.** [Part 1] Provide the total 2024 expenses by FERC account per books, unadjusted for regulatory-type adjustments adopted in ARM filings. [Part 2] 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:** [Part 1] Please see attachment <CA DR 1-11 Attachment - Part 1\_Blue Ridge.xlsx> for total 2024 expenses by FERC account per books provided herewith. The file includes the following:

**TN FERC Exp Accounts** – listing of all O&M accounts with account number, description and amount at 12/31/2024.

**2024 O&M Detail** – listing of O&M account detail for 2024. Includes amounts charged to TN Direct BU and 3-State BU (TN's allocated portion)

[Part 2] Please see attachment <CA DR 1-11 Attachment - DR1-11 part 2.xlsx>.

**Name and title of responsible person:** Misty Lyons, Rates & Regulatory Strategy Manager

**Name and title of preparer:** Misty Lyons, Rates & Regulatory Strategy Manager

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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1-11 Attachments

Attachments Provided in Native Format

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**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:** Transition Services Agreement (“TSA”) requirements are still being developed, and we do not currently have estimated costs but can provide when available.

**Name and title of responsible person:** Mike Switzer, Vice President, Corporate Development

**Name and title of preparer:** Hayes Wilkerson, Corporate Development Manager

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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**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:** Please see attachments <CA DR 1-13 Attachment 1 of 2.pdf> and <CA DR 1-13 Attachment 2 of 2.pdf> provided herewith.

**Name and title of responsible person:** Pia Powers, Vice President - Gas Rates & Regulatory

**Name and title of preparer:** Keith Goley, Lead Rates & Regulatory Strategy Analyst

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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1-13 Attachments

Attachments Provided Electronically

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**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:** Please see CONFIDENTIAL attachments of investment banker presentations from within the last year related to Tennessee provided herewith.

<CA DR 1-14 CONFIDENTIAL Attachment - (Barclays) 2025.03.12 Strategic Discussion Materials - Nashville.pdf>,

< CA DR 1-14 CONFIDENTIAL Attachment - (Citi) 2025.01 Duke Discussion Materials - Gas LDC.pdf>,

<CA DR 1-14 CONFIDENTIAL Attachment - (Mizuho) Duke Discussion Materials\_03.31.2025 - Nashville.pdf>,

<CA DR 1-14 CONFIDENTIAL Attachment - (RBC) Project Blue Ridge - Discussion Materials - vF.pdf>, and

<CA DR 1-14 CONFIDENTIAL Attachment - (Wells Fargo) 2025.02.04\_DUK M&A Discussion Materials - Nashville.pdf>.

**Name and title of responsible person:** Mike Switzer, Vice President, Corporate Development

**Name and title of preparer:** Hayes Wilkerson, Corporate Development Manager

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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1-14 Attachments

Confidential Attachments Filed Under Seal

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- 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:**

- a. All current Duke customers in Tennessee are gas only. Duke does not have a Tennessee electric utility.
- b. None of the proceeds from the transaction will be used to fund any of Duke Energy’s five-year capital spend in Tennessee.

**Name and title of responsible person(s):** Joanna Cormier, Director, Jurisdictional Forecasting & Planning for (a), and Jaime Reynolds, Director, Natural Gas Financial Business Support for (b).

**Name and title of preparer(s):** Sam Kropf, Manager, Financial Forecasting for (a), and Jaime Reynolds, Director, Natural Gas Financial Business Support for (b).

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**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:**

- a. Piedmont Natural Gas has consistently made expenditures and performed work to meet the minimal safety guidelines for a Natural Gas Operator in TN.
- b. Absent this transaction, Piedmont would continue performing work and making the necessary capital expenditures to meet minimum safety standards.

**Name and title of responsible person:** Adam Long, VP, Chief Operating Officer of Natural Gas

**Name and title of preparer:** Adam Long, VP, Chief Operating Officer of Natural Gas

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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:**

- a. The use of the term “benefits” as applied to the matters addressed in Appendix F to the Petition is in its normal sense and there is no special or unique meaning applicable to that usage. Appendix F describes benefits of the proposed transaction upon Spire’s

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acquisition, which in some cases could include a continuation of benefits to customers similar in kind to those previously provided by Piedmont but different in degree as they will be provided by Spire Tennessee pursuant to its assets, capabilities and commitments set forth in Appendix F.

- b. As was noted above, some of the benefits identified in Appendix F are currently being provided by Piedmont pursuant to the assets and capabilities of Piedmont, but those will be provided by Spire Tennessee post-closing consistent with its assets, capabilities, and the commitments of Spire Tennessee regarding such benefits set forth in Appendix F.
- c. As a responsible and experienced natural gas local distribution utility, we would expect Spire Tennessee to continue to provide safe and reliable natural gas service to Tennessee customers just as Piedmont has provided safe and reliable service to those customers.

**Name and title of responsible person:** Mike Switzer, Vice President, Corporate Development

**Name and title of preparer:** Hayes Wilkerson, Corporate Development Manager

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**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:** Please see CONFIDENTIAL attachment <CA DR 1-18 CONFIDENTIAL Attachment - Duke Energy - Year End 2024 Disclosure and Fiscal 2025 Cost - PNG\_Secured.pdf> which represents Pension/OPEB study for Piedmont. There is no specific Pension/OPEB study available for Piedmont-Tennessee.

**Name and title of responsible person:** David Dye, Manager of Accounting

**Name and title of preparer:** David Dye, Manager of Accounting

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
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1-18 Attachment

Confidential Attachment Filed Under Seal

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**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:**

- a. Projected Benefit Obligation: \$11,600,000;
- b. Accumulated Benefit Obligation: \$11,600,000;
- c. Vested Benefit Obligation: \$11,600,000; and
- d. High Level Estimate of Allocated MVA: \$12,500,000.

**Name and title of responsible person:** Marie Broome, Manager, Employee Relations

**Name and title of preparer:** Marie Broome, Manager, Employee Relations

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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**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:** There will be no journal entry recorded at the date of closing impacting Piedmont's pension obligations, given that Piedmont's pension obligations will be retained by Piedmont and thus, will not be conveyed to Spire as part of the transaction.

**Name and title of responsible person:** David Dye, Manager of Accounting

**Name and title of preparer:** David Dye, Manager of Accounting

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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

**RESPONSE:** Communications include email announcement and FAQ document shared with leaders.

**Name and title of responsible person:** Cary Anderson, HR Business Partner Manager

**Name and title of preparer:** Cary Anderson, HR Business Partner Manager

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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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:** At this time, we have not identified any goodwill that Piedmont will transfer to Spire.

**Name and title of responsible person:** Linda Miller, Director, Gas & Fuel Accounting

**Name and title of preparer:** Linda Miller, Director, Gas & Fuel Accounting

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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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:** Please see attachment <CA DR 1-23 Attachment - 01-23 - Section 2.2 (c) and (e).xlsx> provided herewith.

**Name and title of responsible person:** Linda Miller, Director of Gas & Fuel Accounting

**Name and title of preparer:** Linda Miller, Director of Gas & Fuel Accounting

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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1-23 Attachment

Attachment Provided in Native Format

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**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:** The retained assets referred to in Section 2.2 (d) primarily relate to pension and other post-retirement benefits recorded at PNG Corporate ('3-state'). None of these balances are included in PNG-TN rate base.

**Name and title of responsible person:** Linda Miller, Director, Gas & Fuel Accounting

**Name and title of preparer:** Linda Miller, Director, Gas & Fuel Accounting

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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**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:** The only contracts to which Seller is a party that will be transferred to the purchaser are those that are exclusively related to Seller's Tennessee business. All other contracts to which Seller is a party will not be transferred to the purchaser.

**Name and title of responsible person:** Greer Mendelow, Deputy General Counsel

**Name and title of preparer:** Amanie Isaac, Associate General Counsel

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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1-26 Response

Confidential Response Filed Under Seal

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

**CONFIDENTIAL RESPONSE:**

- 1) [REDACTED]
- 2) [REDACTED]  
[REDACTED]
- 3) [REDACTED]  
[REDACTED]
- 4) [REDACTED]  
[REDACTED]
- 5) [REDACTED]
- 6) [REDACTED]  
[REDACTED]

**Name and title of responsible person:** John Panizza, Director Tax Operations

**Name and title of preparer:** Chris Nelson, Tax Manager, EY Tax

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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**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:** Please see CONFIDENTIAL attachment <CA DR 1-27 CONFIDENTIAL Attachment DRAFT - Detailed Balance Sheet.pdf> provided herewith. Each Financial Statement Line Item ("FSLI") is shown for the TN, 3-State, and SEC Topsides Reporting Entities.

On the "Response 01-27" tab, the "FY2024Q4" column for each Reporting Entity is the total per books amount of that FSLI. The "Carve-Out Balance" is the amount that will transfer to Spire. The difference in these two columns is the amount that will be retained by Piedmont. The detailed G/L account can be pulled in (the data source is "Details with ADJs" tab).

NOTE: These balances are subject to change as the audit is concluded later this month. Therefore, these are marked confidential.

**Name and title of responsible person:** Linda Miller, Director Fuel & Gas Accounting

**Name and title of preparer:** Linda Miller, Director Fuel & Gas Accounting

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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1-27 Attachment

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- 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:**

- a. Please see attachment <CA DR 1-28a Attachment - 01-28 A MGP accrued exp 2016\_2024.pdf> provided herewith for the accrued MGP expenses for Tennessee recorded by Piedmont for the period 2016-2024.
- b. Please see attachment <CA DR 1-28b Attachment - 01-28 B paid exp 2016\_2024.pdf> provided herewith for amounts paid for environmental MGP-related costs.
- c. The ADIT balance associated with MGP-related book tax timing differences in account 0228280 as of December 2024 is \$1,055,354.

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- d. The MGP-related liability is recorded in G/L account 0228280 – SCHM Environmental (Other Noncurrent Liabilities). As of the end of 2024, the balance was \$4,477,475. Please see CONFIDENTIAL attachment <CA DR 1-28d CONFIDENTIAL Attachment 01-28 (D) – 2019 MGP Environmental Reserve Entry.xlsx> provided herewith for the entry and support for the recording of the original reserve amount. Additional reserve activity has occurred to record new remediation activities and spend against the reserve.
- e. In numerous prior ratemaking proceedings (including in this year's Annual ARM proceeding in Docket No. 25-00036), Piedmont sought and received recovery of the MGP-related expenses that it incurred and deferred as part of its utility operations in Tennessee. MGP-related costs are one type of environmental assessment and cleanup expense for which Piedmont has authority in Tennessee to defer to a regulatory asset on its books and seek recovery of through rate relief in future rate proceedings, such as in general rate cases or via ratemaking under the ARM (Service Schedule No. 318). The deferral authority and regulatory asset accounting treatment was originally granted to Piedmont by Commission Order dated December 21, 1992, in Docket No. 92-16160.
- Piedmont's currently effective rates in Tennessee embed, as part of the approved overall cost of service and the associated base margin component of rates established

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in Docket No. 25-00036, recovery of the unamortized balance of incurred and deferred environmental expenses as of December 31, 2024.

Upon legal Day 1 after the Transaction, Piedmont's customers in Tennessee will have become Spire's customers in Tennessee. And the balance in the regulatory asset associated with incurred and deferred environmental assessment and cleanup costs will have conveyed from Piedmont to Spire.

If the Joint Applicant's request in the present docket is approved, then Spire's customers in Tennessee will continue to be billed the base margin rates established in Docket No. 25-00036 come legal Day 1. Accordingly, Spire would continue the ongoing amortization of the regulatory asset for the deferred environmental assessment & clean costs because Spire will be collecting the revenue which embeds (from its associated approved overall cost of service) the amortized recovery of the regulatory asset balance for these costs as of December 31, 2024. MGP-related costs incurred and deferred after December 31, 2024, along with all other types of environmental assessment and cleanup expenses incurred and deferred after December 31, 2024, would be recovered through future ratemaking proceedings before the TPUC, as initiated by Spire.

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**Name and title of responsible person(s):** John Robson, Director Gas Rates and Regulatory Strategy for (a, b, and c); Linda Miller, Director of Gas & Fuel Accounting for (d), and Pia Powers, VP - Gas Rates & Regulatory for (e)

**Name and title of preparer(s):** Jenny Furr, Rates and Regulatory Strategy Manager for (a and b), Chris Nelson, Tax Manager, EY Tax for (c), Linda Miller, Director of Gas & Fuel Accounting for (d), and Pia Powers, VP - Gas Rates & Regulatory (e)

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1-28 Attachments

Attachments Provided Electronically  
and  
Confidential Attachment Filed Under Seal

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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:** In Piedmont's last general rate case (Docket No. 20-00086), Piedmont was authorized to recover over eight years through its base margin rates the unamortized deferred pension expense balance of \$11,862,981. That eight-year amortization and recovery period will conclude on December 31, 2028.

As expected, Piedmont's currently effective margin rates in Tennessee, which were most recently updated pursuant to this year's Annual ARM proceeding (Docket No. 25-00036), embed the amortized recovery of the deferred pension balance originally authorized in Docket No. 20-00086.

Upon legal Day 1 after the Transaction, Piedmont's customers in Tennessee will have become Spire's customers in Tennessee. And the unamortized balance of that original \$11,862,981 deferred pension balance authorized for recovery will have conveyed from Piedmont to Spire.

If the Joint Applicant's request in the present docket is approved, then Spire's customers in Tennessee will continue to be billed the base margin rates established in Docket No. 25-00036 come legal Day 1. Accordingly, Spire would continue the ongoing eight-year amortization of the

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regulatory asset for deferred pension expense because Spire will be receiving revenue based on an annual cost of service that includes the ongoing amortized recovery of the deferred pension balance.

In summary, given that Spire's rates and revenues in Tennessee come legal Day 1 provide it the means to continue to amortize the remaining TPUC-authorized deferred pension expense balance, it is appropriate and reasonable and therefore justified that the remaining unamortized balance for deferred pension expense be conveyed from Piedmont to Spire.

**Name and title of responsible person:** Pia Powers, VP - Gas Rates & Regulatory

**Name and title of preparer:** Pia Powers, VP - Gas Rates & Regulatory

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**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:** All books and records in connection with operating the business as stipulated in the Asset Purchase Agreement (“APA”) will be transferred.

**Name and title of responsible person:** Greer Mendelow, Deputy General Counsel

**Name and title of preparer:** Amanie Isaac, Associate General Counsel

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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**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:** Section 7.3 of the APA provides that, for a period of six years after the Closing Date, Piedmont has agreed to provide reasonable access to books and records to Spire related to the business, to the extent the books and records have not been provided in hard or electronic copy (subject to certain restrictions, including confidentiality and privilege). In addition, during this period, Piedmont has agreed to allow Spire access to Piedmont's (and its Affiliates') employees as reasonably requested as it relates to the business.

**Name and title of responsible person:** Greer Mendelow, Deputy General Counsel

**Name and title of preparer:** Amanie Isaac, Associate General Counsel

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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1-32 Response

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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].

**CONFIDENTIAL RESPONSE:** Confirming that [REDACTED]  
[REDACTED] and it [REDACTED]  
[REDACTED].

**Name and title of responsible person:** Cary Anderson, HR Business Partner Manager

**Name and title of preparer:** Cary Anderson, HR Business Partner Manager

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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- 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:**

- a. Mains:
  - Traffic control, jersey barrier and street plate contractor costs were renegotiated in May 2024. Line items went from being paid in four-hour minimums to per hour rates.
  - Renegotiated contractor line items in May 2025 which should result in an estimated annual savings of 12%.
  - Paving requirements by Tennessee DOT were reduced resulting in less asphalt/concrete remediation costs. Bill went into effect in April 2024.
  - In 2025, project management team in Tennessee implemented more robust conflict analysis to avoid costs associated with relocations.
  - Renegotiated significant HDD bore costs in April 2025. Bores will now be paid using a cost plus approach.

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b. Service Lines:

- Traffic control, jersey barrier and street plate contractor costs were renegotiated in May 2024. Line items went from four-hour minimums to hourly rates.
- Renegotiated contractor line items in May of 2025 which should result in an estimated annual savings of 12%.
- Paving requirements by Tennessee DOT were reduced resulting in less asphalt/concrete remediation costs. Bill went live in April 2024.
- In 2025, project management team in TN implemented more robust conflict analysis to avoid costs associated with relocations.

**Name and title of responsible person:** Adam Long, VP, Chief Operating Officer Natural Gas

**Name and title of preparer:** John Bishop, GM, Distribution Construction

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**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:** Please see the list of KPIs as well as the results in attachment <CA DR 1-34 Attachment - Gas Ops Metrics - 2020 - present.xlsx> provided herewith. We do not separate out Tennessee from the rest of the operations centers, so the numbers are for the Natural Gas Business Unit. However, the list is the list we use to measure performance for Nashville as well as the other operations centers.

**Name and title of responsible person:** Jeremy Koster, VP, Sales and Operations Development

**Name and title of preparer:** Jeremy Koster, VP, Sales and Operations Development

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1-34 Attachment

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**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:**

- a. The legal costs incurred for the services of Holland and Knight LLP and McGuire Woods LLP, are split 50/50 to Piedmont and Spire for tasks that are directly related to the joint representation. McGuire Woods serves as the primary regulatory counsel tasked with filing the request for approval of the Piedmont-Tennessee sale. Piedmont and Spire filed the request for approval jointly, thus justifying the sharing of costs. If McGuire Woods provides legal services directly related to one client, then the firm charges those services only to that company. Holland and Knight serves as local counsel for Piedmont and with respect to this docket, their costs are also shared 50/50 between Piedmont and Spire. Bradley Arant Boult Cummings represent Spire individually and therefore, Piedmont does not incur any costs for their legal services.

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- b. Please see the Company's response to DR 1-35(A).
- c. Please see the Company's response to DR 1-35(A).

**Name and title of responsible person:** Brian Heslin, Deputy General Counsel

**Name and title of preparer:** Brian Heslin, Deputy General Counsel

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

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**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:** Please see CONFIDENTIAL attachment <CA DR 1-36 CONFIDENTIAL Attachment - 2025 07.26 Board - Nashville LDC Bid Overview.pdf> for the bid overview that was included in the July 26 Board of Directors meeting.

**Name and title of responsible person:** Mike Switzer, Vice President, Corporate Development

**Name and title of preparer:** Hayes Wilkerson, Corporate Development Manager

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1-36 Attachment

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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:** Article III of the TSA describes the term and termination of the Transition Services. The TSA commences upon closing and will terminate upon the 18th month anniversary of Closing, subject to two potential consecutive three-month extensions for one or more groups of transition services. Each specific Transition Service will commence on the Closing Date until the applicable end date described in Exhibit A of the TSA (as may be extended as mutually agreed to by the parties). The parties expect that the majority of the Transition Services will have an initial services period of 18 months; however, Spire may elect to exercise the Extension Options with respect to any group of transition services.

If Spire desires to exercise an Extension Option for any "Transition Services Group" (as categorized in Exhibit A of the TSA), Spire must provide written notice to Piedmont before the end of the applicable Transition Period, and may (i) exercise an initial option to extend the End Date, for a maximum time of up to three (3) months, for such Transition Services Group, and (ii) exercise a second option to extend the End Date, for a maximum time of up to an additional three (3) months for the Transition Services Group.

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Therefore, according to the TSA, the maximum time period for which transition services may be received by Spire under the TSA, assuming all Extension Options are exercised, is 24 months post-Closing.

**Name and title of responsible person:** Mike Switzer, Vice President, Corporate Development

**Name and title of preparer:** Amanie Isaac, Associate General Counsel

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

**RESPONSE:** Generally, internal labor will be tracked via the MyTime system to TSA charge codes for the activities agreed upon in the final TSA Agreement. The costs charged to those codes will then be aggregated and invoiced to Spire. Specific procedures, controls and reporting are under development.

**Name and title of responsible person:** Linda Miller, Director of Gas & Fuel Accounting

**Name and title of preparer:** Linda Miller, Director of Gas & Fuel Accounting

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.

**PUBLIC VERSION**

**PIEDMONT NATURAL GAS COMPANY, INC.  
DOCKET NO. 25-00074  
CONSUMER ADVOCATE'S FIRST SET OF DISCOVERY REQUESTS  
DATE ISSUED: SEPTEMBER 29, 2025  
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**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:** TSA development is actively underway, and as of this date, the specific technology-related services to be provided as TSAs have not been finalized. Consequently, the underlying costs associated with these services are still being developed. That said, we recognize the interest in understanding the historical basis for these services. Please see attachment <CA DR 1-39 Attachment - Project Blue Ridge - Allocated Technology Spend\_FY24.xlsx> for reported FY24 IT-related O&M expenses for Piedmont's Tennessee operations, broken into two categories provided herewith.

**Section A - Direct Intercompany Charges (\$409.6k):** These are direct IT costs charged to Tennessee that originated from Duke support functions outside the Tennessee business perimeter.

**Section B - Allocated Intercompany Charges (\$4,350.5k):** These represent IT costs allocated to Tennessee from broader Duke Energy and Piedmont shared service organizations.

Together, these costs total **\$4,760.1k** in FY24 IT O&M spend. As TSA schedules are finalized, we anticipate that the technology-related services provided under the TSA will align closely with the nature and scale of these historical allocations.

**PUBLIC VERSION**

**PIEDMONT NATURAL GAS COMPANY, INC.**

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**Name and title of responsible person:** Mike Switzer, Vice President, Corporate Development

**Name and title of preparer:** Hayes Wilkerson, Corporate Development Manager

Response provided by Piedmont Natural Gas Company, Inc. on October 10, 2025.