

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

October 5, 2026

IN RE:

**AUDIT OF SPIRE TENNESSEE, INC.'S
WEATHER NORMALIZATION ADJUSTMENT
FOR THE PERIOD OCTOBER 1, 2025,
THROUGH APRIL 30, 2026**

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**DOCKET NO.
26-00021**

**ORDER APPROVING STAFF AUDIT OF SPIRE TENNESSEE, INC.'S
WEATHER NORMALIZATION AUDIT**

This matter came before Chairman David F. Jones, Vice Chairman John A. Hie, Commissioner Herbert H. Hilliard, Commissioner Clay R. Good, and Commissioner Kenneth C. Hill of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, during a regularly scheduled Commission Conference held on August 17, 2026. The panel convened to consider the Commission Utilities Division Audit Staff (the “Staff”) audit report of Spire Tennessee, Inc.’s (“Spire Tennessee” or the “Company”) Weather Normalization Adjustment (“WNA”) for the year ended October 1, 2025, through April 30, 2026. The WNA Audit Report (the “Report”) is attached as Exhibit A and incorporated by this reference.

The Staff filed its Report with the Commission on July 30, 2026. The objective of the Audit was to verify whether the WNAs were correctly calculated and applied to customers’ bills during the period audited. The Report contained no findings, and Staff concluded that Spire Tennessee is correctly implementing the mechanics of its WNA Rider and that customers appear to have been correctly billed during this review period. During the Commission Conference held on August 17, 2026, the panel considered the Staff’s Report and unanimously approved the WNA Audit Report as filed.

IT IS THEREFORE ORDERED THAT:

1. The Weather Normalization Adjustment Audit Report of Spire Tennessee, Inc's costs for the year ended April 30, 2026, attached hereto as Exhibit A, is approved, adopted, and incorporated in this Order as if fully rewritten, including conclusions and recommendations therein.
2. Any person aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within 15 days of the date of this Order.
3. Any person aggrieved by the Commission's decision in this matter has the right to seek judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within 60 days of the date of this Order.

FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:

COMMISSION PANEL VOTE

The Commission panel has adopted the foregoing Order.
All members present and voting concurred.

David F. Jones, Chairman
John A. Hie, Vice Chairman
Herbert H. Hilliard, Commissioner
Clay R. Good, Commissioner
Kenneth C. Hill, Commissioner

Order Issued and Attested By:

A handwritten signature in dark ink, appearing to read "Earl Taylor" with a stylized flourish at the end.

Earl R. Taylor, Executive Director

Exhibit A

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

July 30, 2026

IN RE:	)	
	)	
SPIRE TENNESSEE, INC.	)	Docket No. 26-00021
WEATHER NORMALIZATION ADJ. (WNA) AUDIT)		

**NOTICE OF FILING BY THE UTILITIES DIVISION OF THE TENNESSEE
PUBLIC UTILITY COMMISSION**

Pursuant to Tenn. Code Ann. §§65-4-104, 65-4-111 and 65-3-108, the Utilities Division of the Tennessee Public Utility Commission (“TPUC” or “Commission”) hereby gives notice of its filing of the Spire Tennessee, Inc. WNA Audit Report in this docket and would respectfully state as follows:

1. The present docket was opened by the Commission to hear matters arising out of the audit of Spire Tennessee Inc. (the “Company”).
2. The Company’s WNA filings were received for the period October 1, 2025, through April 30, 2026, and the Staff completed its audit of same on July 29, 2026.
3. There were no material audit filings.
4. The Utilities Division hereby files its Report with the Tennessee Public Utility Commission for deposit as a public record and approval of the Report and recommendations contained therein.

Respectfully Submitted:

Aisha Salem

Aisha Salem
Utilities Division
Tennessee Public Utility Commission

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of July 2026 a true and exact copy of the foregoing has been either hand-delivered or delivered via email, to the following persons:

Mr. Clay R. Good
Vice Chairman
Tennessee Public Utility Commission
502 Deaderick Street
Nashville, TN 37243

Mr. David A. Yonce
Vice President – Regulatory Affairs
Spire Tennessee, Inc.
700 Market Street
St. Louis, MO 63101

Mr. Eric Bouselli
Manager- Regulatory Strategy and Forecasting
Spire Tennessee, Inc.
700 Market Street
St. Louis, MO 63101

Mr. Antonio Arias,
Director – Associate General Counsel - Regulatory
Spire Tennessee, Inc.
700 Market Street
St. Louis, MO 63101

Ms. Karen Stachowski
Office of the Attorney General
Consumer Advocate and Protection Division
P. O. Box 20207
Nashville, TN 37202

Aisha Salem

Aisha Salem

EXHIBIT A

COMPLIANCE AUDIT REPORT

OF

SPIRE TENNESSEE, INC.

WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER

DOCKET NO. 26-00021

TENNESSEE PUBLIC UTILITY COMMISSION

UTILITIES DIVISION

July 2026

COMPLIANCE AUDIT OF
Spire Tennessee, Inc.
WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER
Docket No. 26-00021

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	<u>WEATHER NORMALIZATION ADJUSTMENT RIDER</u>

COMPLIANCE AUDIT
SPIRE TENNESSEE INC.
WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER
Docket No. 26-00021

I. INTRODUCTION AND AUDIT OPINION

The subject of this compliance audit is the Weather Normalization Adjustment (WNA) Rider of Spire Tennessee Inc. (hereafter “Spire” or “Company”). The objective of this audit was to determine if the WNA adjustments were calculated correctly and applied to customers' bills appropriately between October 1, 2025, and April 30, 2026. As a result of the WNA Rider, the Company surcharged a net of \$11,374,225 and \$5,402,696 to the residential and commercial customers, respectively, during the period. The impact of WNA revenues on the Company’s total revenues is detailed in Section V, Table 1.

The audit produced no findings. Therefore, Staff concludes that the Company is correctly implementing the mechanics of the WNA Rider as specified by the Tennessee Public Utility Commission (“TPUC” or the “Commission”)¹ and included in the Company’s tariff (Attachment 1).

II. SCOPE OF AUDIT

In meeting the objective of the audit, the Staff compared the following on a daily basis:

- (1) The Company's actual heating degree days (“ADD”) to National Oceanic and Atmospheric Administration (“NOAA”) actual heating degree days;
- (2) The Company's normal heating degree days (“NDD”) to the normal heating degree days calculated in the last rate case; and
- (3) The Company's calculation of the WNA factors to Staff's independent calculation for each billing cycle during the WNA period.

Staff also selected a sample of customer bills to verify that the WNA factors had been correctly applied to customer bills in addition to examining each sample bill to determine whether the Base Rates, Purchased Gas Adjustments, and other billing adjustments were billed correctly. As a result of the bill audit, Staff maintains Spire TN is correctly billing its customers.

Aisha Salem of the Utilities Division conducted this audit.

¹ As of April 5, 2017, the name of Tennessee Regulatory Authority has changed to the Tennessee Public Utility Commission and board members of the agency will be known as Commissioners rather than Directors.

III. BACKGROUND INFORMATION ON SPIRE TENNESSEE, INC.

Spire Tennessee Inc. (“Spire TN”) is a wholly owned subsidiary of Spire Inc. (“Spire”) and is incorporated in the State of Tennessee. Spire TN was established to acquire and operate the Tennessee natural gas utility assets previously owned by Piedmont Natural Gas Company, Inc. (“Piedmont”). Spire’s corporate headquarters are located at 700 Market Street, St. Louis, Missouri. Spire TN maintains its local operational office at 83 Century Blvd., Nashville, Tennessee, consistent with Piedmont’s former Tennessee operation.²

Spire, the parent company of Spire TN, is an investor-owned, publicly traded natural gas utility holding company incorporated in Missouri. Through its subsidiaries, Spire owns and operates natural gas public utilities in Missouri, Alabama, and Mississippi. Portions of Spire’s systems are regulated by the Federal Energy Regulatory Commission (“FERC”), while others are regulated by the respective state agencies. Spire also owns and operates several non-state regulated entities.³

On March 16, 2026, the Tennessee Public Utility Commission (“Commission”) approved the joint application submitted by Piedmont and Spire under Tenn. Code Ann. §65-4-113. This approval authorizes the transfer of Piedmont’s Tennessee natural gas utility service authority and related permissions to Spire TN. As part of this approval, Spire TN is permitted to adopt Piedmont’s existing service territory, natural gas distribution system, and, on an interim basis and subject to specific conditions, its currently approved tariffs, rates, and regulatory mechanisms.⁴ Spire TN will continue providing natural gas services to all former Piedmont customers without interruption, using the same facilities, infrastructure, and personnel.⁵

IV. BACKGROUND ON WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER

In setting rates, the Commission uses a normalized level of revenues and expenses for a test period, which is designed to be the most reasonable estimate of the Company’s operations during the time the rates are to be in effect. Use of normalized operating levels eliminates unusual fluctuations that may occur during the test period, which causes rates to be set too high or too low.

Specifically, one part of normalizing revenues consists of either increasing or decreasing the test period weather-related sales volumes to reflect the difference between the normal and actual heating degree days. (A heating degree day is calculated as the difference between a given day’s average daily temperature and 65 degrees Fahrenheit.) This average daily temperature constitutes normal weather and is determined based on the previous thirty years’ weather data.⁶

Normal weather rarely occurs. This has two impacts:

² Application for Approval Of A Transfer Of Authority To Provide Utility Services pg. 3; Docket 25-00074. (Sept. 8, 2025)

³ Order Approving Transfer of Authority to Provide Utility Services and Related Authorizations pg. 2; Docket 25-00074. (June 2, 2026)

⁴ Order Approving Transfer of Authority to Provide Utility Services and Related Authorizations pp. 43-44; Docket 25-00074. (June 2, 2026)

⁵ Application for Approval of A Transfer of Authority to Provide Utility Services pg. 4; Docket 25-00074. (Sept. 8, 2025)

⁶ Weather data is published monthly by the National Oceanic and Atmospheric Administration (“NOAA”).

- (1) The customers' bills may fluctuate dramatically due to changes in weather from month to month; and
- (2) The gas companies earn more or less than their authorized rate of return. For example, if weather is colder than normal, then more gas than anticipated in the rate case will be sold. This results in higher customer bills and over-earnings for the company. On the other hand, if weather is warmer than normal, less gas than anticipated in the rate case will be sold, the customers' bills will be lower, and the company will under-earn.

In recognition of this fact, on September 26, 1991, the Tennessee Public Service Commission⁷ ("TPSC") approved a three-year experimental Weather Normalization Adjustment Rider ("WNA Rider") to the tariffs of Chattanooga Gas Company, Nashville Gas Company (a division of Piedmont Natural Gas Company, Inc.), and United Cities Gas Company.⁸ In periods of colder than normal weather, the customer receives a credit on his bill, while in periods of warmer than normal weather, the customer is billed a surcharge. Thus, customers' monthly bills should not fluctuate dramatically and the gas company should have a more stable rate of return. The WNA Rider was to be applied to residential and commercial customers' bills during the months of October through May of each year. On June 21, 1994, TPSC issued an Order authorizing the above mentioned gas companies to permanently implement an amended version of the WNA Rider.⁹

Spire Tennessee Inc. has been authorized to calculate WNA adjustments during the months of October through April, as established in the Settlement Agreement, Section 16(d), in Docket No. 11-00144.¹⁰ The TPUC Staff audits these calculations annually.

V. IMPACT OF WNA RIDER

The table below quantifies the number of actual heating degree days by month as compared to the normal heating degree days for that month. It shows that during the audit period, the weather (overall) was warmer than normal, resulting in a net surcharge from Spire TN to its customers for the period. See also the graph on page 5, which visually compares the actual heating degree days to normal heating degree days for Spire TN during the 2025-2026 heating season.

⁷ By legislative action, the Public Service Commission was replaced on July 1, 1996 by the Tennessee Regulatory Authority. See Act of May 24, 1995, ch. 305, 1995 Tenn. Pub. Acts 450. The TRA retains jurisdiction over the above named gas companies. See Tenn. Code Ann. § 65-4-104; see also Tenn. Code Ann. § 65-4-101 (a) (defining public utility).

⁸ See petition of Chattanooga Gas Company, Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. and United Cities Gas Company for a Rulemaking Hearing to Adopt a Weather Normalization Adjustment (WNA) Rider, Docket No. 91-01712, Order (September 26, 1991).

⁹ The amendment directed Chattanooga Gas Company and United Cities Gas Company to eliminate from their WNA Rider the shoulder months of October and May, and Nashville Gas Company to eliminate the shoulder months of October, April and May.

¹⁰ See In Re: Petition of Piedmont Natural Gas Company, Inc. for an Adjustment to Its Rates, Approval of Changes to its Rate Design, Amortization of Certain Deferred Assets, Approval of New Depreciation rates, Approval of Revised Tariffs and Service Regulations, and Approval of a New Energy Efficiency Program and GTI Funding, Docket No. 11-00144, Settlement Agreement 16(d), page 5 .

<i>Month</i>	<i>Actual Heating Degree Days</i>	<i>Normal Heating Degree Days</i>	<i>Warmer/Colder than Normal</i>
September 2025	2	12	Warmer
October 2025	111	156.4	Warmer
November 2025	352	441.9	Warmer
December 2025	643	679.1	Warmer
January 2026	854	786.9	Colder
February 2026	523	603.2	Warmer
March 2026	206	419.5	Warmer
April 2026	55	181.8	Warmer
Total	2,746	3,280.8	Warmer

Since the overall weather during October 1, 2025, through April 30, 2026, period was warmer than normal, the net impact of the WNA Rider was that residential and commercial customers were **surcharged** \$11,374,225 and \$5,402,696, respectively. This equates to an increase from total residential and commercial sales revenues of 6.9% and 5.9%, respectively (See Table 1). This is an increase from the WNA surcharges in the previous year when the residential and commercial customers were **surcharged** a net \$9,896,024 and \$4,697,144, respectively. Table 2 below compares the WNA charges/refunds over the last three (3) winter heating seasons

Table 1

**Impact of WNA Rider on Residential & Commercial Revenues
October 1, 2025 - April 30, 2026**

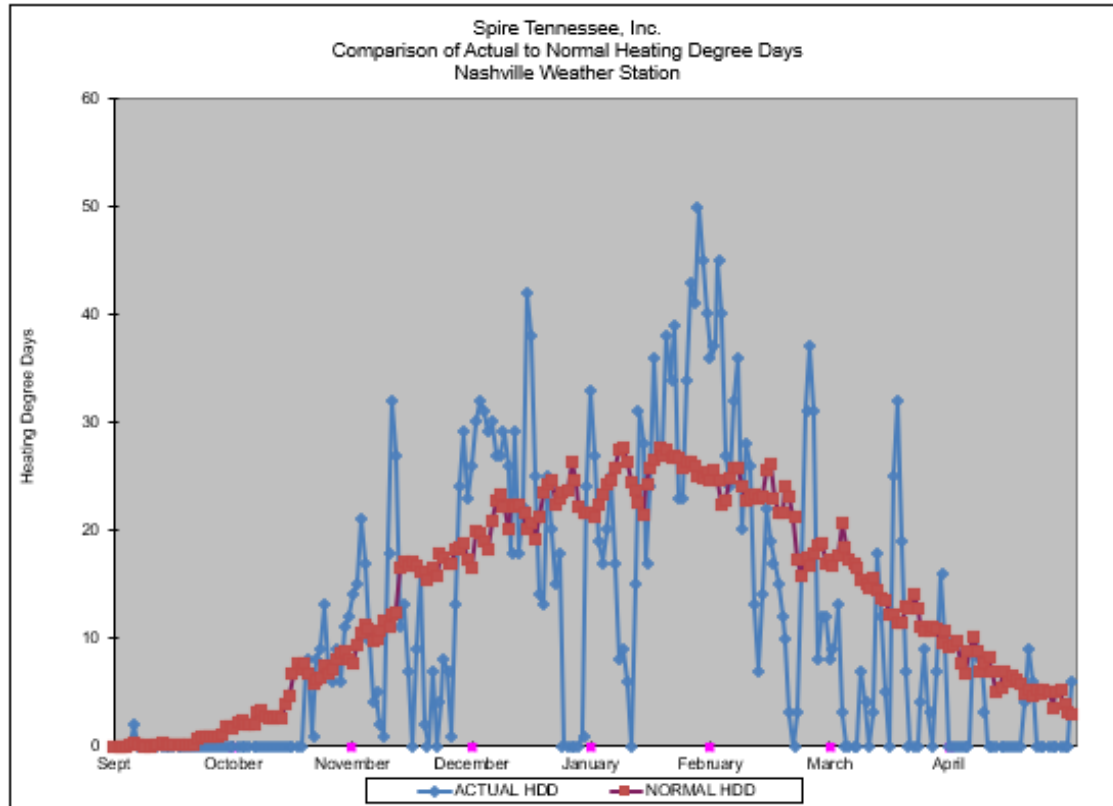
	<u>WNA Rider Revenues</u>	<u>Total Revenues</u>	<u>Percentage Impact of WNA Rider on Revenue</u>
Residential Sales	\$ 11,374,225	\$ 165,501,638	<u>6.9%</u>
Commercial Sales	<u>5,402,696</u>	<u>90,944,228</u>	<u>5.9%</u>
Total	<u>\$ 16,776,921</u>	<u>\$256,445,866</u>	<u>6.5%</u>

Table 2

**Amount Surcharged (Refunded)
2023 - 2026**

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u> <u>Surcharge/Refund</u>
10/25-4/26	\$ 11,374,225	\$ 5,402,696	\$ 16,776,921
10/24-4/25	\$ 9,896,024	\$ 4,697,144	\$ 14,593,168
10/23-4/24	\$ 10,099,196	\$ 4,684,293	\$ 14,783,489
Total	\$ <u>31,369,445</u>	\$ <u>14,784,133</u>	\$ <u>46,153,578</u>

VI. IMPACT OF WNA RIDER



VII. WNA FINDINGS AND CONCLUSIONS

Staff checked Piedmont's last ACA filings in Docket No. 25-00067, covering the period July 2024 to June 2025. In this ACA filing, the Company incorporated the adjustment of \$201,570, which aligned with the finding identified in WNA Docket No. 25-00045. Therefore, the finding identified in the previous audit has been appropriately remedied.

As noted in Section I of this report, Staff's audit produced no findings. Therefore, Staff concludes that the Company is correctly implementing the mechanics of the WNA Rider as specified by the Tennessee Public Utility Commission and included in the Company's tariff (Attachment 1).

Staff, therefore, recommends that the Commission approve Staff's Audit Report, and conclusions therein.

Staff appreciates and thanks the Company staff for cooperating during this audit process.

ATTACHMENT 1

SERVICE SCHEDULE NO. 315

Weather Normalization Adjustment

(WNA) Rider

I. Provision for Adjustment

The base rates per therm (100,000 Btu) for gas Service set forth in any Rate Schedules utilized by the Commission in determining normalized test period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment".

The Weather Normalization Adjustment will be applicable for bills rendered on and after October 1 and continuing through the final billing cycle in April of each year.

II. Definitions

For the purposes of this Rider:

"Commission" means the Tennessee Public Utility Commission.

"Relevant Rate Order" means the final order of the Commission in the most recent litigated rate case of the Company or Annual Review Mechanism of the Company authorized by the Commission pursuant to T.C.A. § 65-5-103(d)(6), fixing the rates of the Company, or the most recent final order of the Commission specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

III. Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment shall be computed to the nearest one-hundredth cent per therm by the following formula:

$$WNA_i = R_i \quad * \quad \frac{(HSF_i(NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where:

I = any particular rate schedule or billing classification within any particular rate schedule that contains more than one billing classification.

WNA_i = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per therm.

R_i = weighted average base rate (base rate less any embedded gas cost) of temperature sensitive sales for the i^{th} schedule or classification utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues.

$HSF_i =$	heat sensitive factor for the i^{th} schedule or classification utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues.
$NDD =$	normal billing cycle heating degree days utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues.
$ADD =$	actual billing cycle heating degree days.
$BL_i =$	base load sales for the i^{th} schedule or classification utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues.

IV. Filing with Commission

The Company will file as directed by the Commission (a) a copy of each computation of the Weather Normalization Adjustment, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, and a schedule showing the factors or values derived from the Relevant Rate Order used in calculating such Weather Normalization Adjustment.