STATE OF TENNESSEE

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Chairman Herbert H. Hilliard
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deadrick Street, 4th Floor
Nashville, TN 37243
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Re: *Petition Of Spire Tennessee Inc. For Approval of Its 2026 Annual Review of Rates Mechanism Pursuant to Tenn. Code Ann §65-5-103(D)(6)*
TPUC Docket No. 26-00042

Dear Chairman Hilliard:

The Consumer Advocate submits this letter to correct the Direct Testimony of David Dittemore. Specifically, the CAD is submitting a correction to the answer to question 15 on page 9 of Mr. Dittemore's direct testimony.

We would kindly request that TPUC file this Corrected Testimony of David Dittemore in this docket. If you have any questions, please contact me at (615) 741-2357.

Respectfully,

Shilina B. Brown

Shilina B. Brown
Senior Assistant Attorney General

cc: All Parties of Record

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:	)	
	)	
PETITION OF SPIRE TENNESSEE INC.	)	
FOR APPROVAL OF ITS 2026 ANNUAL	)	
REVIEW OF RATES MECHANISM	)	**DOCKET NO. 26-00042**
("ARM") PURSUANT TO TENN. CODE	)	
ANN. § 65-5-103(d)(6)	)	
	)	

CORRECTED DIRECT TESTIMONY OF

DAVID N. DITTEMORE

August 20, 2026

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I. INTRODUCTION

Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION FOR THE RECORD.

A1. My name is David N. Dittemore. I am a self-employed consultant working in the utility regulatory sector.

Q2. PLEASE PROVIDE A SUMMARY OF YOUR BACKGROUND AND PROFESSIONAL EXPERIENCE.

A2. I received a Bachelor of Science Degree in Business Administration from the University of Central Missouri in 1982. I am a Certified Public Accountant licensed in Oklahoma (#7562). I was previously employed by the Kansas Corporation Commission ("KCC") in various capacities, including Managing Auditor, Chief Auditor, and Director of the Utilities Division. I was self-employed as a utility regulatory consultant for approximately four years, primarily representing the KCC staff in regulatory issues. I also participated in proceedings in Georgia and Vermont, evaluating issues involving electricity and telecommunications regulatory matters.

Additionally, during this time frame, I performed a consulting engagement for Kansas Gas Service ("KGS"), my subsequent employer. For eleven years, I served as Manager and subsequently Director of Regulatory Affairs for KGS, the largest natural gas utility in Kansas, serving approximately 625,000 customers. KGS is a division of One Gas, a natural gas utility serving about two million customers in Kansas, Oklahoma, and Texas. I joined the Tennessee Attorney General's Office in September 2017 as a Financial Analyst. In July 2021, I began my consulting practice.

I have been a Board Member of the Financial Research Institute (University of Missouri), a member of the NARUC Subcommittee on Accounting, the Vice-Chair of the Accounting Committee of the National Association of State of Utility Consumer Advocates ("NASUCA"), and an active participant in NASUCAs' Natural Gas and Water Committees.

Overall, I have over 35 years of experience in public utility regulation and have testified as an expert witness on numerous occasions. A detailed overview of my background is attached to my testimony as Appendix 1.

Q3. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A3. I am testifying on behalf of the Consumer Advocate Division ("Consumer Advocate" or "CAD") of the Office of the Tennessee Attorney General.

Q4. HOW IS YOUR TESTIMONY ORGANIZED?

A4. My testimony sections are organized as follows:

I. Introduction
II. Purpose of Testimony/Recommendations
III. Implications of 25-00074 *Order* on Spire's ARM
IV. Calculation of the 4% Cap
V. Revenue Requirement Calculation
VI. Burden of New Business on Legacy Customers
VII. Request for Clarification

II. <u>PURPOSE OF TESTIMONY AND RECOMMENDATION</u>

Q5. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A5. The purpose of my testimony is to present the CAD-recommended revenue requirement of Spire in the present case, both in the Historic Base Period ("HBP") and the Annual Base Rate Reset ("ABRR"). I support an adjustment to the calculation of the 4% rate cap as calculated by Spire Tennessee; Inc. ("Spire" or the "Company") sponsor schedules calculating the traditional revenue requirement incorporating adjustments sponsored by Messrs. Dixon and Kaml. I provide an overview of the Commission's ordering language in TPUC Docket No. 25-00074 and explain its impact in this proceeding. I also discuss the significant cost burden incurred by legacy customers, effectively subsidizing the service of new customers, and recommend the Commission require Spire to address this subsidy issue in its next general rate proceeding. Further, I request that the Commission clarify one aspect of its order in Docket No. 25-00074 with respect to an accounting issue with significant implications on Spire's future ARM calculation and/or its next base rate proceeding.

The absence of a discussion on any aspect of Piedmont/Spire's 2025 operations should not be construed as either acceptance of the underlying costs or an affirmation of prudence.

Q6. PLEASE SUMMARIZE THE RECOMMENDATIONS YOU ARE SUPPORTING IN THIS PROCEEDING.

A6. I support the following recommendations to the Commission:

- Adopt the CAD-supported revenue requirement for the HBP.
- Clarify that the 4% cap as applying to Base Rate Revenue and not Total Operating Revenue.
- Require Spire to file a proposal addressing uneconomic residential expansion.
- Clarify its intent within item 2 of its Order in Docket No. 25-00074.

Q7. WHAT REVENUE REQUIREMENT ARE YOU RECOMMENDING IN THIS PROCEEDING?

A7. I recommend two distinct revenue requirements within this proceeding. The

Commission required that any sufficiency to be refunded to customers, with carrying charges, while any deficiency shall not be collected from customers.[1]

HBP

I recommend a separate reduction in rates based upon the excess revenue calculated during the HBP of $1,815,037, inclusive of carrying charges as set forth in Exhibit DND-3. This rate reduction is designed to flow back the excess earnings in the HBP over a one-year period. The specific rate recommendations associated with this reduction are set forth in Table 1 sponsored by Mr. Kaml.[2] The treatment is supported by the terms in the Commission's Order:[3]

> 3. If any of the individual temporary ARRM filings calculate an earnings sufficiency for the HBP, Spire shall refund the earnings sufficiency with related carrying charges to customers in accordance with a rate design or rate decrement approved by the Commission.

ABRR

I recommend the Commission adopt a rate increase of $8,928,893, as reflected in Exhibit DND-2, associated with the ABRR calculation. This recommendation is exclusive of the recommended rate reduction of $1,815,037 cited above. This compares with the Spire-requested increase of $13,966,022, for a difference of $5,037,129.[4] The difference between the two computed revenue

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1 *Order Approving Transfer of Authority to Provide Utility Services and Related Authorizations*, TPUC Docket No. 25-00074 (June 2, 2026), pages 31 and 32.

2 Direct Testimony of Clark Kaml at 6.

3 *Order Approving Transfer of Authority to Provide Utility Services and Related Authorizations*, p. 32, TPUC Docket 25-00074 (June 2, 2026).

4 *Petition of Spire Natural Gas Company, Inc. for Approval of its 2026 Annual Review of Rates Mechanism Pursuant to Tenn. Code Ann 65-5-103(d)(6)*, Schedule "Summary-Revenue Change Percentage", TPUC Docket 26-00042 (May 20, 2026).

requirements is entirely attributed to Spire's application of the Commission's 4% rate cap and the method I am recommending. I will discuss the implications of applying the cap in greater detail below. While the cap determines the outcome of the ABRR revenue requirement, the CAD adjustments herein have implications in future Spire regulatory proceedings and thus should be evaluated in this proceeding for administrative efficiency. The adjustment impacts the Company's 2026 regulated results and thus becomes part of the HBP in Spire's 2027 filing. Absent the cap, CAD calculated an ABRR revenue requirement deficiency of $15,234,019 as set forth in Exhibit DND-3.

Q8. COMPARE SPIRE'S CALCULATED DEFICIENCY WITH ITS RECOMMENDED RATE INCREASE AFTER APPLICATION OF THE CAP ORDERED IN DOCKET NO. 25-00074.

A8. Spire's as-calculated revenue deficiency (notwithstanding the cap) is $18,233,708.[5] After its calculation of the cap, Spire's recommended deficiency is $13,966,022, or $4,267,686 less than its calculated revenue requirement deficiency. [6]

Q9. PLEASE IDENTIFY THE SCHEDULES YOU ARE SPONSORING.

A9. I am supporting the following schedules:

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[5] *Petition Of Spire Tennessee Inc. for Approval of Its 2026 Annual Review of Rates Mechanism ("ARM) Pursuant to Tenn. Coder Ann. § 65-5-103(d)(6)*, p. 10, Spire Annual ARM Filing, Schedule 1, TPUC Docket 26-00042 (May 20, 2026).

[6] This is the difference between Spire's claimed total revenue deficiency of $18,233,708 and Spire's definition of the cap deficiency of $13,966,022.

Exhibit Number		Exhibit Description
DND-1		Work History
DND-2		Index of Schedules
DND-3		Revenue Requirement Calculations - HBP/ABRR
DND-4		Calculation of ABRR Cap
DND-5		HBP Rate Base
DND-6		ABRR Rate Base
DND-7		HBP/ABRR CAD Adjusted Income Statement
DND-8		HBP/ABRR Income Tax Calculation
DND-9		HBP/ABRR Capital Structure/Interest Exp. Sync
DND-10		HBP/ABRR Cash Working Capital Summary
DND-11		HBP Cash Working Capital Detail
DND-12		ABRR Cash Working Capital Detail
DND-13		Service Line Adjustment - Supporting Calculations
DND-14		Adjustment to Remove Dues and Donations (CK)
DND-15		New Business Revenue Requirement (Confidential)
DND-16		New Business Support Detail (Partly Confidential)

III. IMPLICATIONS OF 25-00074 *ORDER* ON SPIRE'S ARM

Q10. DID THE COMMISSION'S *ORDER* IN DOCKET 25-00074 MODIFY THE COMPANY'S ARM IN A SIGNIFICANT WAY?

A10. Yes. The Commission's *Order* modified the pre-existing terms of the ARM in several ways, but I'll limit my discussion to those factors that impact the current filing as identified below:

- Imposition of a 4% cap on base rates as identified above and discussed below;
- The return of any revenue sufficiency in the HBP to customers with carrying charges;[7]
- The relinquishment of any revenue deficiency in the HBP;[8] and
- The termination, at closing, of any existing recovery of an earnings

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[7] *Order Approving Transfer of Authority to Provide Utility Services and Related Authorizations*, pp. 31-32, Modifications and Mandatory Conditions, No.3, TPUC Docket No. 25-00074 (June 2, 2026).

[8] *Order Approving Transfer of Authority to Provide Utility Services and Related Authorizations*, p. 27, Restriction No. 2, TPUC Docket No. 25-00074 (June 2, 2026).

> deficiency related to Piedmont, with an accompanying write-off of any associated regulatory asset.[9]

In pertinent part, the Commission stated that while it disfavored transfer of ARRMS from one utility to another, it found it to be in the public interest in this case, subject to "modifications and mandatory conditions."[10]

Q11. HOW IS THE CURRENT FILING IMPACTED BY THE UNIQUE PROVISIONS CITED ABOVE?

A11. The Company is supporting a small revenue deficiency in the HBP of $36,209. However, the Consumer Advocate supports a revenue excess calculation of $1,815,037. The Commission's *Order* requires the stand-alone determination of the HBP result, with any sufficiency refunded to customers with carrying charges and any deficiency foregone by the Company.[11]

Another important element of the *Order* is the elimination of regulatory assets associated with Piedmont under-earnings and the elimination of recovery of such charges effective at the date of the transaction.[12]

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9 *Order Approving Transfer of Authority to Provide Utility Services and Related Authorizations*, pp. 31-32, Modifications and Mandatory Conditions, No.2, TPUC Docket No. 25-00074 (June 2, 2026).

10 *Id.* at 31.

11 *Order Approving Transfer of Authority to Provide Utility Services and Related Authorizations*, pp. 31-32, Modifications and Mandatory Conditions, No.3, TPUC Docket No. 25-00074 (June 2, 2026).

12 *Order Approving Transfer of Authority to Provide Utility Services and Related Authorizations*, pp. 31-32, TPUC Docket No. 25-00074 (June 2, 2026).

IV. CALCULATION OF THE 4% CAP

Q12. CAN YOU IDENTIFY THE DIFFERENCE BETWEEN YOUR POSITION AND THAT OF SPIRE RELATED TO THE CALCULATION OF THE REVENUE CAP?

A12. Yes. The issue is straightforward. Spire applied the revenue cap as a percentage of Total Operating revenue, inclusive of $121 million of Purchased Gas Revenue, $2.75 million of Home Protection revenue, $1.26 million associated with Forfeited Discounts, and $285 thousand of Miscellaneous revenue. Instead, the Commission's *Order* is clear that the 4% cap should be applied to base rate revenue, excluding the items identified above.

Q13. WHAT IS THE BASIS FOR YOUR CONCLUSION THAT THE REVENUE CAP SHOULD BE ASSOCIATED WITH BASE RATE REVENUE?

A13. The Commission's *Order* states:[13]

> As such, the panel found it reasonable to limit the average annual base rate increase to 4% for any individual temporary ARRM filing. If any individual ARRM filing calculates an average base rate increase in excess of 4%, collection of such amount exceeding 4% shall not be authorized or deferred as a regulatory asset for recovery in a future rate proceeding.

The Commission repeatedly used the phrase 'base rate' in its *Orde*r and did not reference an application of the rate cap to the Total Operating Revenues.

Q14. HOW ARE YOU DEFINING BASE RATE REVENUE FOR PURPOSES OF ESTABLISHING THE VALUE OF THE CAP?

A14. Base rates include the monthly customer charge applied monthly as well as the

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[13] *Order Approving Transfer of Authority to Provide Utility Services and Related Authorizations*, pp. 30-31, TPUC Docket 25-00074 (June 2, 2026).

volumetric base rates applied to monthly usage. My definition is consistent with that of the Company as reflected in "Tariff Base Rate Docket No. 25-00036" within Original Sheet 1.[14] The document is captioned on the Commission's website as "Spire Tennessee Revised Clean Version of Tariff and Service Regulations Pursuant to Commission's Request."[15] I have excluded revenue associated with purchased gas expenses, referred to as Purchase Gas Adjustment rates, revenue associated with the Company's Incentive Plan Account (IPA) and revenue associated with its Actual Cost Adjustment (ACA).[16]

Q15. IS THE COMPANY'S INCLUSION OF TOTAL OPERATING REVENUE, INCLUSIVE OF PGA REVENUE, CONSISTENT WITH ITS OWN TERMINOLOGY CONTAINED WITHIN ITS FILED TARIFF?

A15. Partially. As mentioned above, Revised Sheet 1 of the Company's tariff identifies Base Rates as the Monthly Charge and volumetric rates. On the other hand, I acknowledge that Section 318 of the Company's tariff incorporates the term "Base PGA Rates" as a component of "Base Rates". Thus, Section 318, I. R of the tariff is consistent with the definition supported by Spire in this proceeding.

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14 *Spire Tennessee Revised Clean Version of Tariff and Service Regulations Pursuant to Commission's Request*, Tennessee Service Territory Billing Rates Effective: April 1, 2026, p. 6, TPUC Docket 26-00074 (April 14, 2026).

15 Within each of the Company's rate schedules, these rates are referred to as "Base Margin Rates." See *Spire Tennessee Revised Clean Version of Tariff and Service Regulations Pursuant to Commission's Request*, TPUC Docket 25-00074 (April 14, 2026).

16 PGA rates are designed to recover prudently incurred purchased gas costs; IPA rates are designed to recover Commission-adopted incentive awards associated with gas supply and transportation procurement, while ACA costs are designed to recover costs of gas hedging.

Q16. NOTWITHSTANDING THE LANGUAGE IN THE COMMISSION'S *ORDER*, DO YOU BELIEVE IT REASONABLE THAT A RATE CAP WOULD BE APPLIED TO THE VARIOUS ELEMENTS IDENTIFIED ABOVE?

A16. No, I do not. Applying the cap to purchased gas revenue causes the cap to fluctuate solely because commodity prices change, even though those costs are recovered dollar for dollar through the PGA rider and are unrelated to the Company's authorized base rates. As a result, two identical revenue deficiencies could produce different allowable increases solely because gas prices differed over the years.

When gas prices are high and/or the customer base experiences an unusually cold winter, the result would be an expanded revenue cap, an outcome that is not rational.

Q17. PLEASE SUMMARIZE YOUR RECOMMENDATION WITH RESPECT TO THE CALCULATION OF THE RATE CAP

A17. I recommend limiting the rate cap to 4% applied to base rate revenues, consistent with the Commission's *Order*. Applying the 4% to the Company's normalized base rate revenue yields a base rate increase cap of $8,928,893, as set forth on Exhibit DND-4.

Q18. WHEN APPLYING THE 4% CAP, DID YOU REDUCE BASE RATE REVENUE FOR THE AMOUNT OF EXCESS REVENUE SUPPORTED BY CAD IN THE HBP?

A18. No, I did not. For purposes of computing the value of the 4% cap, I considered the rate decrements supported by Mr. Kaml to be non-base rate revenue since they are designed to last only one year.

V. REVENUE REQUIREMENT CALCULATION

Q19. NOW TURN TO THE REVENUE REQUIREMENT SCHEDULES YOU ARE SPONSORING. FIRST TURN TO MR. DIXON'S ADJUSTMENT. DOES HIS ADJUSTMENT IMPACT BOTH THE HBP AND THE ABRR CALCULATION?

A19. Yes. I will identify the components of his adjustment for both the HBP and the Annual Rate Review together, since the same elements are present in both calculations.

Q20. BEGIN BY IDENTIFYING THE REVENUE REQUIREMENT ELEMENTS YOU ADJUSTED BASED UPON MR. DIXON'S PROPOSAL TO ELIMINATE $16,983,540.

A20. Mr. Dixon's adjustment eliminating Service Line Costs impacts the following balances:

- Gross Plant in Service,
- Accumulated Depreciation,
- Accumulated Deferred Income Taxes (ADIT)
- Depreciation Expense
- Property Tax Expense

I quantify each of these components within Exhibit DND-13.

Q21. IDENTIFY THE ADJUSTMENT TO GROSS PLANT IN SERVICE SUPPORTED BY MR. DIXON.

A21. Mr. Dixon supports an adjustment to eliminate Service Lines from Gross Plant in Service of $16,983,540.

Q22. EXPLAIN HOW YOU DETERMINED THE ADJUSTMENT TO ACCUMULATED DEPRECIATION.

A22**.** The adjustment to Accumulated Depreciation in the HBP is the balance of the Service Line Adjustment applied to the Company's Service Line Depreciation Rate using a mid-year convention. This mid-year convention assumes the adjustment to plant occurred ratably throughout the year. The result is effectively an annualized level of depreciation multiplied by fifty percent, resulting in an adjustment increasing Rate Base $249,658. This calculation applies identically to both for the computation of Depreciation Expense and Accumulated Depreciation in the HBP.

The adjustment to Accumulated Depreciation in the ABRR period is simply the sum of the HBP calculation and an annualized level of Depreciation Expense occurring in the ABRR period for a total adjustment of $748,974, reflected as an increase in Rate Base. These two values are shown on lines 9 and 10 of Exhibit DND-13.

Q23. EXPLAIN THE ADJUSTMENTS TO ACCUMULATED DEFERRED INCOME TAXES (ADIT) ASSOCIATED WITH MR. DIXON'S SERVICE LINE ADJUSTMENT FOR BOTH REVENUE REQUIREMENT CALCULATIONS.

A23**.** The elimination of Gross Plant in the HBP impacts the balance of ADIT. The calculation simply identifies the difference between book and tax depreciation, the net of which is then applied to the Company's composite tax rate of 27.49%.[17] For

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[17] The composite tax rate calculation is found in Exhibit DND-16.

the HBP this adjustment increases Rate Base $164,786 in the HBP and $306,231 in the ABRR. The calculation is shown within lines 13 - 23, within Exhibit DND-13.

Q24. EXPLAIN HOW YOU DETERMINED THE DEPRECIATION EXPENSE ADJUSTMENT BOTH IN THE HBP AND THE ABRR PERIOD.

A24. The Depreciation Expense was calculated as described above, applying the Plant in Service adjustment to the Commission-authorized depreciation rate for Services. For the HBP the adjustment is $249,658, using the half year convention, while the annualized amount in the ABRR is $499,316. Both amounts are calculated in Exhibit DND-13, lines 6 and 7, reflecting a reduction in Depreciation Expense.

Q25. EXPLAIN HOW YOU DETERMINED THE LEVEL OF PROPERTY TAX EXPENSE ASSOCIATED WITH THE EXCLUDED SERVICE LINE CAPITAL EXPENDITURES.

A25. The Property Tax adjustment reduces HBP and ABRR expenses by $60,135. I calculated this adjustment by developing the ratio of HBP Property Tax Expense to total Gross Plant in Service, as reflected on line 20 within Exhibit DND-16. Then, I applied the resulting ratio to the $16,983,540 value supported by Mr. Dixon as shown on line 12 of Exhibit DND-13.

Q26. NOW TURNING TO THE ADJUSTMENT SUPPORTED BY MR. KAML, IDENTIFY THE ADJUSTMENT AND WHERE IT MAY BE FOUND WITHIN THE REVENUE REQUIREMENT SCHEDULES.

A26. Mr. Kaml's supports an adjustment reducing Administrative and General Expenses $238,161, as set out in line 12 of Exhibit DND-14.

Q29. WHAT IS THE RESULTING REVENUE DEFICIENCY IN THE ABRR?

A29. The Consumer Advocate supports an ABRR revenue deficiency in this case of $15,234,019, as set forth in Exhibit DND-3. This amount is greater than the revenue requirement maximum of 4% established by the Commission in its *Order*; therefore, the rate increase should be capped at the 4% level of $8,928,893 as shown in Exhibit DND-4.

VI. BURDEN OF NEW BUSINESS ON LEGACY CUSTOMERS

Q30. HAVE YOU HAD AN OPPORTUNITY TO COMPARE THE GROWTH IN REVENUE ASSOCIATED WITH NEW RESIDENTIAL CUSTOMERS WITH THE CAPITAL EXPENDITURES INCURRED IN SERVING NEW RESIDENTIAL CUSTOMERS?

A30. Yes. My analysis comparing New Business Revenue and New Business Capital Expenditures is set out in Exhibit DND-15 (Confidential).

Q31. COULD YOU EXPLAIN HOW YOU CALCULATED THIS COMPARISON?

A31. The purpose of the analysis is to quantify the burden placed on legacy Spire customers from the Company's New Business activities by comparing revenue generated by new residential customers with the underlying revenue requirement of New Business capital expenditures to serve residential customers. The level of New Business capital expenditures used to serve residential customers has been consistent and significant since 2023, if not longer.[18]

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[18] *Spire Tennessee Inc Responses to Consumer Advocate's First Set of Discovery Reques*ts, CAD DR No. 1-54, File <CAD DR 1-54 Response CONFIDENTIAL.xlsx>, TPUC Docket 26-00042 (June 24, 2026).

Q32. WHAT WAS THE OBJECTIVE OF YOUR ANALYSIS?

A32. The purpose of the analysis was to reasonably estimate the revenue requirement associated with residential New Business capital expenditures and evaluate whether the underlying growth in New Business revenue was providing the Company with a reasonable rate of return.

Q33. WHAT WERE THE COMPONENTS OF YOUR ANALYSIS?

A33. The revenue requirement components of New Business Capital Expenditures include Depreciation Expense, Property Tax Expense, Interest Expense, and the required return on equity associated with financing the New Business capital expenditures. Each of these cost components was derived from the underlying data contained in the Company's ARM filing. The items listed above are the incremental cost components associated with new capital investments.

I used an estimated revenue per customer determined from data provided by the Company.[19] I relied upon the increase in customer counts from 2025 compared with 2024, both calculated using the average monthly customer count throughout the year.[20] Revenue requirements associated with any capital expenditure are not static, so I performed calculations for a three-year period and assumed rates increased 4% per year.

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[19] I calculated the weighted average revenue per customer from data provided in response to AG 2-3, then increased this average to the nearest hundred dollars. See *Spire Tennessee Inc's ("Spire") Responses to the Consumer Advocate Division Second Discovery Request*, DR 2-03 Confidential, TPUC Docket 26-00042 (July 16, 2026).

[20] References to sources are supplied in Exhibit DND-16.

Q34. DOES YOUR ANALYSIS INCLUDE A NET LEVEL OF EXPENDITURES INCORPORATING THE ADJUSTMENT OF MR. DIXON?

A34. No. My analysis reflects the impact on legacy customers in the absence of that adjustment. The results of my analysis provide additional support for the adjustment sponsored by Mr. Dixon by illustrating the economic consequences of the Company's current new business investment practices.

The Commission's evaluation of Mr. Dixon's adjustment is a separate consideration of the Commission but does not alter the underlying economics reflected in the Company's books during the HBP.

Q35. IS YOUR ANALYSIS CONSERVATIVELY CALCULATED?

A35. Yes. I did not assume any incremental Operations and Maintenance ("O&M") costs associated with new customers for such operational activities such as customer billing, customer service, leak survey requirements or other associated field activities associated with customers. Thus, this should be considered a conservative measure of financial results associated with new customers.

Q36. WHAT ARE THE RESULTS OF YOUR ANALYSIS?

A36. The incremental revenue associated with new customers is insufficient to even cover Depreciation, Interest Expense, and Property Tax Expense, much less provide any return on equity. The sum of these three incremental expenses is reasonably estimated at nearly [redacted] while the incremental revenue associated with the new connections in 2025 was [redacted], for a loss of nearly [redacted][21] But this loss does not measure the required return on equity of nearly [redacted] in 2025. The sum of these two cost categories of approximately [redacted] represents net costs assigned to the general customer base associated with the Company's growth opportunities. This analysis represents one year's activity. Each year's capital expenditures add an additional layer of cost subsidies assigned to Spire's legacy customers. Existing customers are financing growth.

This is fundamentally a cost-causation issue. The customers causing the investment are not generating sufficient revenues to recover the incremental revenue requirement associated with those investments.

The issue presented in this proceeding is not whether the Company should continue to expand its system. The issue is whether the financial consequences of that expansion should continue to be borne primarily by existing customers rather than by those causing the investment.

Q37. DOES THE REVENUE REQUIREMENT ASSOCIATED WITH 2025 RESIDENTIAL NEW BUSINESS CAPITAL EXPENDITURES DECLINE MOVING FORWARD?

A37. Yes, slightly. I have carried forward the Revenue Requirement Shortfall for 2026 and 2027, reflecting annual declines of [redacted] in 2026 and 2027, respectively as reflected on line 23 of Exhibit DND-15. The overall shortfall in both years continues to be quite significant, [redacted]

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[21] See Exhibit DND-15, Lines 9 – 21.

[redacted] It is also important to understand the context. This revenue requirement deficiency is simply due to 2025 new business residential capital expenditures. The 2026 financial results will contain a similar revenue requirement deficiency associated with 2026 Residential New Business Capital Expenditures, as well as continuation of the revenue deficiency associated with 2025 Residential New Business Capital Expenditures.

Q38. IF YOU WERE TO EXTEND THIS FORECAST OUT FOR AN EXTENDED PERIOD THAT MATCHED THE ESTIMATED LIFE OF THE SERVICE LINES, WOULD THE RESULTS OF THE ANALYSIS DIFFER?

A38. The revenue requirement shortfall associated with the new residential customers would continue to decline as the underlying plant depreciates.[22] Based upon the pace of the annual decline in the revenue requirement shortfall, it appears it would take at least ten years, if not longer, before the new customers would provide the Company with a compensatory rate of return. This translates to an approximate ten years of subsidies from the legacy customer base to these new customers. The magnitude and duration of the shortfall is unreasonable and burdensome.

Q39. DO THE 2025 CAPITAL EXPENDITURES PRECISELY MATCH THAT LEVEL NECESSARY TO SERVE THE NEW CUSTOMERS COMING ONLINE IN 2025?

A39. No. The capital expenditures incurred each year do not reflect the precise level necessary to serve new customers in that year. There will always be a lag between

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22 See Exhibit DND-15, Line 22.

the date capital expenditures are incurred for a given set of customers and when the corresponding revenue is generated. However, for the purpose of evaluating at a high level whether legacy customers are subsidizing new customers, the comparison of current customer revenue and current-year capital expenditures is a reasonable proxy.

Q40. FOR COMPARISON PURPOSES, WHAT WAS THE GROWTH IN RESIDENTIAL CUSTOMERS IN 2024 ALONG WITH THE CAPITAL EXPENDITURES INCURRED TO SERVE NEW RESIDENTIAL GROWTH?

A40. The growth in Residential customers in 2024 compared with 2023 was 3,033.[23] <u>Total</u>[24] new Business Capital Expenditures were [redacted].[25] This is nearly identical to the corresponding amount of total New Business capital expenditures incurred in 2025 [redacted][26] These New Business Capital Expenditures in 2023 and 2024 are <u>total</u> New Business Capital Expenditures, rather than those limited to Residential customers, but there is nothing to suggest the Residential expenditures in those earlier years are materially different from the 2025 levels reflected in Exhibit DND-15.

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[23] See Exhibit DND-15, Line 27.

[24] This includes all expenditures for New Business, inclusive of Residential, Commercial and Industrial.

[25] *Spire Tennessee Inc Responses to Consumer Advocate's First Set of Discovery Requests*, <CAD DR 1-42 Attachment>, TPUC Docket 26-00042 (June 24, 2026).

[26] *Spire Tennessee Inc Responses to Consumer Advocate's First Set of Discovery Requests*, CAD DR 1-042, File <CAD DR 1-42 Attachment.xlsx>, TPUC Docket 26-00042 (June 24, 2026).

Q41. WHAT ARE THE ONGOING IMPLICATIONS OF THIS COST BURDEN ON RESIDENTIAL CUSTOMERS?

A41. The cost burden identified in Exhibit DND-15 falls to legacy customers and is compounded each year. Legacy customers are subsidizing new customers. For purposes of this testimony, I define a subsidy as a situation in which revenues from a class of customers are insufficient to recover the incremental revenue requirement associated with investments undertaken primarily to serve that class.

Q42. WOULD THE COLLECTION OF AN APPROPRIATE LEVEL OF CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) HELP EASE THE BURDEN ON LEGACY CUSTOMERS?

A42. Yes. CIAC is a customer contribution used to partially offset the cost of extending service. CIAC is an offset to Rate Base and, as a result, reduces the revenue requirement incurred by all customers, including legacy customers.

Q43. WHAT WAS THE LEVEL OF CIAC COLLECTED BY THE COMPANY IN 2025?

A43. The CIAC collected in 2025 was [redacted] This compares with the associated residential capital expenditure amount of [redacted] The ratio of CIAC collections to expenditures is approximately [redacted]. This level of CIAC contribution does not provide a meaningful offset to the costs of serving new customers and does not provide the necessary protection for legacy customers.

Q44. DOES THE COLLECTION OF CIAC REDUCE THE EARNINGS OF THE COMPANY?

A44. Yes. The collection of CIAC reduces Rate Base. Rate Base is a direct function of earnings for a regulated monopoly. Therefore, there is a financial disincentive to the Company to collect CIAC that would otherwise protect legacy customers

Q45. WHAT STAKEHOLDERS HAVE BENEFITTED FROM THE SIGNIFICANT LEVEL OF CAPITAL EXPENDITURES DIRECTED TOWARDS NEW CUSTOMERS?

A45. Historically, Piedmont shareholders and residential developers have benefited from Piedmont's practices for serving new customers. Prior to the current filing, Piedmont operated with an ARM that has not had a limit on annual rate increases and has featured the elimination of regulatory lag.[27] The potential disallowance by the Commission of costs found to be excessive is the only financial incentive the Company has to manage its costs. Absent disallowance in a proceeding such as this, the Company benefits from its growth in Rate Base, regardless of the impact on legacy customers.

Q46. YOU HAVE MENTIONED THAT THE COMPANY HAS BENEFITTED FROM ITS PRACTICES IN REGARD TO THE COLLECTION OF CIAC. AREN'T SUCH PRACTICES DONE UNDER THE PROVISIONS OF ITS TARIFF APPROVED BY THE COMMISSION?

A46. Yes. I'm not giving an opinion on whether the Company is complying with Sections 4 and 5 of its Service Regulations, Services and Mains, respectively. However, the tariff is written very broadly to give the Company great flexibility to adopt practices that may be interpreted in any number of ways. From the analysis

[27] Traditional regulation disciplines capital spending because the utility must wait until its next rate case before recovering investment. The ARRM minimizes, if not eliminates, that discipline by allowing deferral and subsequent recovery of costs associated with regulatory lag.

I prepared, such provisions are not being interpreted to protect legacy customers. My conclusion is demonstrated by the results contained within Exhibit DND-15.

Q47. GIVEN THE OPPORTUNITY FOR SPIRE TO HAVE AN ANNUAL RATE MECHANISM, IS IT IN THE INTERESTS OF THE COMPANY TO VOLUNTARILY ADDRESS THIS PROBLEM?

A47. No. Absent a cost disallowance adopted by the Commission, it is not in the best financial interest of the Company to voluntarily address this issue. The Commission cannot rely on the Company to make a voluntary modification to the terms of its tariff, nor voluntary modifications to its practices while maintaining compliance with its broad tariff terms.

Q48. DOES THE EXISTING 4% CAP PROVIDE SUFFICIENT PROTECTION FOR LEGACY RESIDENTIAL CUSTOMERS?

A48. The Commission-adopted 4% cap on base rate increases provides interim protection associated with the impacts on legacy customers. However, the New Business capital expenditures are incorporated in Plant in Service and absent disallowance by the Commission, they would be included in Rate Base in the Company's next base rate case proceeding. Thus, the existing cap provides protection, but it is interim in nature, unless such a rate increase cap were adopted on a permanent basis.

Q49. WHAT ARE THE IMPLICATIONS ON RESIDENTIAL CUSTOMERS IF THIS ISSUE IS NOT ADDRESSED IN THE VERY NEAR FUTURE?

A49. Absent the adoption of Mr. Dixon's adjustment, these costs will continue to compound, resulting in an ever-growing burden for legacy residential customers.

Q50. PLEASE IDENTIFY YOUR RECOMMENDATION REGARDING THE COSTS OF NEW BUSINESS.

A50. The Commission should direct Spire to address the existing excessive costs incurred by legacy residential customers in its next rate case. Spire should identify what actions it is taking to minimize the cost of installed Mains and Services within its newly acquired system. It should also address changes in either its current practices permissible within its existing tariff provisions or submit a proposal to modify the terms of its existing tariff with the goal of ensuring the burden New Business is placing on legacy residential customers identified in Exhibit DND-15 is greatly reduced or eliminated. In the interim, the Commission should rule that Spire is at risk for disallowance of uneconomic investment incurred to serve new residential customers.

VII. <u>REQUEST FOR CLARIFICATION</u>

Q51. PROVIDE BACKGROUND INFORMATION ON WHY YOU ARE REQUESTING CLARIFICATION FROM THE COMMISSION.

A51. The Commission stated the following:[28]

> *2. If any of the individual temporary ARRM filings calculate an earnings deficiency for the historic base period, Spire shall not be authorized to collect any of the calculated deficiency or associated carrying charges from customers. Further, Spire shall not be authorized to defer any amount of the earnings deficiency or related carrying charges as a regulatory asset and shall not be authorized to seek recovery of any such deficiency or carrying charges in any future rate proceeding. Consistent with this decision, any existing recovery of an earnings deficiency related to Piedmont shall*

[28] *Order Approving Transfer of Authority to Provide Utility Services and Related Authorizations*, pp. 30-31, Modification and Mandatory Conditions, No. 2, TPUC Docket 25-00074 (June 2, 2026).

> *terminate at closing, with an accompanying write-off of any associated regulatory asset.*

There are two possible interpretations of the last sentence within this paragraph. The narrow interpretation is that the earnings deficiency relates exclusively to that identified in the most recent ARM proceeding, specifically the Historic Base Period. The broader interpretation is that it would also include the Company's regulatory asset of $41 million as set forth in Schedule 20 of its filing and further supported by Schedules 52E and 52F.

Q52. WHAT IS THE NATURE OF THIS REGULATORY ASSET?

A52. This asset represents (1) deferred depreciation and (2) the calculation of a return on net plant in service for that period prior to when such assets are included in Rate Base, both balances accruing carrying charges. Arguably, these two components represent a portion of Piedmont's "earnings deficiency"; otherwise, they would not be eligible for deferral, and both components meet the definition of an ARM regulatory asset.

Q53. IN YOUR VIEW ARE THERE TWO POSSIBLE INTERPRETATIONS TO THE COMMISSION'S LANGUAGE?

A53. Yes.

Q54. WHAT IS YOUR INTENT BY RAISING THIS ISSUE?

A54. I am attempting to obtain clarification from the Commission on the intent of its *Order*, so that it may be followed in the future.

Q55. DOES THIS ISSUE IMPACT THE RESULTS OF THE HISTORIC BASE PERIOD?

A55. No. As this issue impacts costs reflected on the books after closing of the transaction, March 31, 2026. The Historic Base Period covers 2025 operating results.

Q56. WILL THE DETERMINATION OF THIS ISSUE IMPACT THE RESULTS OF NEXT YEARS' ARM OR THE RESULTS OF A BASE RATE FILING IF ONE SHOULD BE SUBMITTED IN LIEU OF AN ARM FILING?

A56. Yes. The interpretation of this issue will have a significant impact on future filings, whether it is an ARM filing or a base rate case filing.

Q57. WHAT ARE THE BENEFITS OF OBTAINING A RULING FROM THE COMMISSION ON THE INTENT OF THIS SECTION OF THE ORDER?

A57. Obtaining a Commission ruling on this point will greatly reduce the administrative burden not only of the agency, but also the Company and the Consumer Advocate. In the absence of such a ruling, the parties will be in the position of litigating the Commission's intent within a future filing, which would prevent a settlement and result in additional costs associated with future filings. To avoid unnecessary litigation and the associated costs, it is necessary for the Commission to clarify whether its prior decision was intended to require the write-off of the costs reflected in the Summary tab of Spire Schedule 20.

Q58. DOES THIS CONCLUDE YOUR TESTIMONY?

A58. Yes.

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:	)	
	)	
PETITION OF SPIRE TENNESSEE INC.	)	
FOR APPROVAL OF ITS 2026 ANNUAL	)	**DOCKET NO. 26-00042**
REVIEW OF RATES MECHANISM	)	
("ARM") PURSUANT TO TENN. CODE	)	
ANN. § 65-5-103(d)(6)	)	

AFFIDAVIT

I, David Dittemore, on behalf of the Consumer Advocate Division of the Attorney General's Office hereby certify that the attached Testimony represents my opinion in the above-referenced case and the opinion of the Consumer Advocate Division.

David Dittemore
DAVID DITTEMORE

Sworn to and subscribed before me

This 20th day of August, 2026.

Terra Allen

NOTARY PUBLIC

TERRA ALLEN
STATE OF TENNESSEE NOTARY PUBLIC
HICKMAN COUNTY
My Commission Expires JUNE 25, 2030

My Commission Expires: June 25, 2030

David Dittemore

Exhibit AG-DND-1

<u>**Utility Regulatory Experience** (Listing of Testimony provided from 2015 – current is attached)</u>

Principal – Blue River Consulting – July 2021 – Current

Provide expert witness testimony on behalf of clients in the areas of utility revenue requirement, regulatory policy, tariff provisions, and civil litigation.

Tennessee Attorney General's Office; Financial Analyst 2017 – July 2021

Developed recommendations on behalf of the TN AG's office representing retail customers in matters before the Tennessee Public Utility Commission. Responsible for preparing expert witness testimony and pre-filed exhibit as well as responding to cross-examination questions in contested technical hearings before the Commission. In this position I also spend a significant amount of time explaining technical regulatory issues to attorneys and other AG Staff.

Kansas Gas Service, **Division of One Gas (OGS)**; Director Regulatory Affairs 2014 – 2017; Manager Regulatory Affairs, 2007 - 2014

Responsible for directing the regulatory activity of Kansas Gas Service (KGS), a division of ONE Gas, serving approximately 625,000 customers throughout central and eastern Kansas. In this capacity I formulated strategic regulatory objectives for KGS, formulated strategic legislative options for KGS and led a Kansas inter-utility task force to discuss those options, participated in ONE Gas financial planning meetings, hired and trained new employees and provided recommendations on operational procedures.

Principal Strategic Regulatory Solutions; 2003 -2007

Serving clients regarding revenue requirement and regulatory policy issues in the natural gas, electric and telecommunication sectors.

Kansas Corporation Commission; 1984- 1999

Utilities Division Director - 1997 - 1999; Responsible for managing employees with the goal of providing timely, quality recommendations to the Commission covering all aspects of natural gas, telecommunications and electric regulation; respond to legislative inquiries as requested; sponsor expert witness testimony before the Commission on selected key regulatory issues; provide testimony before the Kansas legislature on behalf of the KCC regarding proposed utility legislation; manage a budget in excess of $2 Million; recruit professional staff; monitor trends, current issues and new legislation in all three major utility industries; address personnel issues as necessary to ensure that the goals of the agency are being met; negotiate and reach agreement where possible with utility personnel on major issues pending before the Commission including mergers and acquisitions.

Asst. Division Director **-** 1996 - 1997; Perform duties as assigned by Division Director.

Chief of Accounting 1990 - 1995; Responsible for the supervision of employees within the accounting section; areas of responsibility included providing expert witness testimony; hired and provided hands-on training for new employees; coordinated and managed consulting contracts on major staff projects such as merger requests and rate increase proposals;

Managing Regulatory Auditor, Senior Auditor, Regulatory Auditor 1984 - 1990; Performed audits and analysis as directed; provided expert witness testimony on numerous occasions before the KCC; trained and directed less experienced auditors on-site during regulatory reviews.

Education

- B.S.B.A. (Accounting) Central Missouri State University
- Passed CPA exam; (Oklahoma certificate # 7562) – Not a license to practice

Other

- Board Member – Financial Research Institute 2007 – 2017
- Vice Chair – NASUCA Accounting Committee, active member NASUCA Natural Gas and Water Committees

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Exhibit DND-2

Listing of Exhibits

Exhibit Number	**Exhibit Description**
DND-1	Work History
DND-2	Index of Schedules
DND-3	Revenue Requirement Calculations - HBP/ABRR
DND-4	Calculation of ABRR Cap
DND-5	HBP Rate Base
DND-6	ABRR Rate Base
DND-7	HBP/ABRR CAD Adjusted Income Statement
DND-8	HBP/ABRR Income Tax Calculation
DND-9	HBP/ABRR Capital Structure/Interest Exp. Sync
DND-10	HBP/ABRR Cash Working Capital Summary
DND-11	HBP Cash Working Capital Detail
DND-12	ABRR Cash Working Capital Detail
DND-13	Service Line Adjustment - Supporting Calculations
DND-14	Adjustment to Remove Dues and Donations (CK)
DND-15	New Business Revenue Requirement (Confidential)
DND-16	New Business Support Detail (Partly Confidential)

Spire Tennessee Inc.
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Exhibit DND-3

Calculation of Revenue Requirement
HBP/ABRR

Line No.	Item	**Spire** Formula, Schedule or Workpaper Reference	[A] HBP Ending 12/31/25 Per Spire	CA Adjustments	CA As Adjusted		[B] Annual Base Rate Reset Per Spire	CA Adjustments	CA As Adjusted	
1	Rate Base	Schedule 2	$ 1,427,306,934	$ (16,608,254)	$ 1,410,698,681	1/	$ 1,514,485,998	(31,949,496)	$ 1,482,536,502	4/
2	Net Operating Income For Return	Schedule 9	99,550,810		99,633,699	2/	91,598,530	1,055	91,599,586	5/
3	Earned Rate of Return	L2 / L1	6.97%		7.06%		6.05%		6.18%	
4	Fair Rate of Return	Schedule 10	6.98%		6.98%	3/	6.94%		6.94%	6/
5	Required Net Operating Income	L4 x L1	99,577,581		$ 98,418,889		105,079,537	(2,216,751)	$ 102,862,786	
6	Net Operating Income Deficiency (Sufficiency)	L5 - L2	26,771		(1,214,810)		13,481,006	(2,217,806)	11,263,200	
7	Gross Revenue Conversion Factor	Schedule 11	1.352548		1.352548		1.352548		1.352548	
8	**Total Revenue Requirement Deficiency (Sufficiency)**	L6 x L7	**36,209**		**$ (1,643,089)**		$ 18,233,708	(2,999,689)	**$ 15,234,019**	

Line No.	Item	Amount		Basis
9	Revenue Requirement Excess Historic Base Period	$ (1,643,089)		
10	Calculation of Carrying Charges			
11	Midpoint of HBP		7/1/2025	
12	Midpoint of Refund Period (October 1, 2026 - September 30, 2027)		4/1/2027	
13	Total Months		18	Line 12 - Line 11
14	Carrying Charge Rate (Annual)		6.98%	Line 4
15	Monthly Carrying Charge Rate		0.58%	Line 14/12
16	Carrying Charge Rate over Refund Period		10.46%	Line 13 * Line 15
17	Nominal Amount of Carrying Charges	(171,948)		Line 9 * Line 16
18	Total Refund	**(1,815,037)**		Line 9 + Line 17

1/ Exhibit DND-5, line 22
2/ Exhibit DND-7, line 21
3/ Exhibit DND-9, line 4
4/ Exhibit DND-6, line 22
5/ Exhibit DND-7, line 21
6/ Exhibit DND-9, line 8

Spire Tennessee Inc.
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Exhibit DND-4

Computation of Revenue Change Percentage
Annual Base Rate Reset

Line No.	Item	Spire "Summary Revenue Chage %": Spire Formula, Schedule or Workpaper Reference	Spire "Summary Revenue Chage %": 2026 ARM Overall Revenue Methodology	CAD Pro Forma: To Remove Purchased Gas Revenue	CAD Pro Forma: CAD Revenue Cap Calculation	
1	Total Operating Revenue/ Total Margin Revenue	Schedule 6A	$ 349,150,549	$ (125,928,227)	$ 223,222,322	1/
2	ABRR Increase in Revenue	Schedule 1	18,233,708	(2,999,689)	15,234,019	2/
3	Increase in HBP Revenue (incl. carrying costs)		-			
4	Total Proposed Operating Revenue	Line 1 + Line 2	$ 367,384,257		$ 238,456,341	
5	Revenue Increase - Absent Cap	Line 2 + Line 3	$ 18,233,708		$ 15,234,019	2/
6	Total Operating Revenue		$ 349,150,549		$ 223,222,322	1/
7	Percentage Change	Line 5 / Line 6	5.22%		6.82%	3/
8	Average annual base rate increase limitation pursuant to Commission Order issued March 16, 2026, in Docket No. 25-00074		4.00%		4.00%	
9	Limited Revenue Increase	Line 1 * Line 8	$ 13,966,022	$ (5,037,129)	$ 8,928,893	4/
10	Limitation on Rate Increase (Smaller of Line 5 or Line 9)		$ 13,966,022		**$ 8,928,893**	
11	CAD Adjustment to Correct CAP Calculation				$ (5,037,129)	5/
12	Base Rate Revenue Requirement				$ 232,151,215	

1/ Spire Schedule 6A line 3
2/ Exhibit DND-3 line 8
3/ Line 5/ line 6
4/ Line 1 * Line 8
5/ CAD Limitation on Rate Increase less Spire Limitation on Rate Increase (Line 10)

Spire Tennessee Inc.
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Exhibit DND-5

Calculation of Rate Base
Historic Base Period

Line No.		Spire Formula, Schedule or Workpaper Reference	13 Month Average HBP Balances Ending 12/31/25 Per Spire	CA Adjustments		CA Adjusted Historic Base Period	
	Net Utility Plant Investment:						
1	Utility Plant in Service	Schedule 13	$ 2,107,379,663	$ (16,983,540)	1/	$ 2,090,396,123	
2	Construction Work in Progress	Schedule 15 & Settlement Agreement	124,621,029			$ 124,621,029	
3	Accumulated Depreciation	Schedule 16	(574,571,393)	249,658	2/	$ (574,321,735)	
4	Contributions in Aid of Construction	Schedule 17	(5,828,754)			$ (5,828,754)	
5	Accumulated Deferred Income Taxes	Schedule 18	(241,414,440)	164,786	3/	$ (241,249,654)	
6	Total Net Utility Plant Investment	L1:L5	$ 1,410,186,105	(16,569,096)		1,393,617,009	
	Working Capital:						
7	Gas Inventory	Schedule 19	$ 9,519,994			$ 9,519,994	
8	Customer Deposits	Schedule 19	(4,226,610)			$ (4,226,610)	
9	Accrued Interest on Customer Deposits	Schedule 19	(651,327)			$ (651,327)	
10	Materials & Supplies	Schedule 19	938,489			$ 938,489	
11	Deferred Debits - Hedging	Schedule 19	104,968			$ 104,968	
12	Deferred Debits - Deferred Environmental	Schedule 19	1,456,173			$ 1,456,173	
13	Deferred Debits - Deferred Pension	Schedule 19	3,707,181			$ 3,707,181	
14	Prepaid Insurance	Schedule 19	266,753			$ 266,753	
15	Fleets & Other Overheads	Schedule 19	973,473			$ 973,473	
16	Accounts Payable Related to CWIP	Schedule 19	(9,159,194)			$ (9,159,194)	
17	Accounts Payable Related to M&S	Schedule 19	(46,791)			$ (46,791)	
18	Accrued Vacation	Schedule 19	(721,130)			$ (721,130)	
19	Lead/Lag Study Requirement	Schedule 3	2,187,964	$ (39,158)		$ 2,148,806	4/
20	Total Working Capital	L7:L19	$ 4,349,945	(39,158)		$ 4,310,787	
	ARM Regulatory Assets:						
21	ARM Regulatory Asset	Schedule 20	$ 12,770,884			$ 12,770,884	
22	**Total Rate Base**	L6 + L20 + L21	**$ 1,427,306,934**	**(16,608,254)**		**1,410,698,681**	

1/ Exhibit DND-13, line 4
2/ Exhibit DND-13, line 9
3/ Exhibit DND-13, line 18
4/ Exhibit DND-10, line 5

Spire Tennessee Inc.
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Exhibit DND-6

Calculation of Rate Base
Annual Base Rate Reset

Line No.	Item	Spire Formula, Schedule or Workpaper Reference	Annual Base Rate Reset Per Spire	CA Adjustments Annual Rate Reset	CA Adjusted Annual Rate Reset
	Net Utility Plant Investment:				
1	Utility Plant in Service	Schedule 13	2,190,720,163	$ (16,983,540) 1/	$ 2,173,736,623
2	Construction Work in Progress	Schedule 15 & Settlement Agreement	114,153,953		$ 114,153,953
3	Accumulated Depreciation	Schedule 16	(580,730,312)	748,974 2/	$ (579,981,338)
4	Contributions in Aid of Construction	Schedule 17	(5,828,754)		$ (5,828,754)
5	Accumulated Deferred Income Taxes	Schedule 18	(250,192,725)	306,231 3/	$ (249,886,494)
6	Total Net Utility Plant Investment	L1:L5	1,468,122,324	(15,928,335)	1,452,193,989
	Working Capital:				
7	Gas Inventory	Schedule 19	9,519,994		$ 9,519,994
8	Customer Deposits	Schedule 19	(4,226,610)		$ (4,226,610)
9	Accrued Interest on Customer Deposits	Schedule 19	(651,327)		$ (651,327)
10	Materials & Supplies	Schedule 19	938,489		$ 938,489
11	Deferred Debits - Hedging	Schedule 19	104,968		$ 104,968
12	Deferred Debits - Deferred Environmental	Schedule 19	1,456,173		$ 1,456,173
13	Deferred Debits - Deferred Pension	Schedule 19	3,707,181		$ 3,707,181
14	Prepaid Insurance	Schedule 19	266,753		$ 266,753
15	Fleets & Other Overheads	Schedule 19	973,473		$ 973,473
16	Accounts Payable Related to CWIP	Schedule 19	(9,159,194)		$ (9,159,194)
17	Accounts Payable Related to M&S	Schedule 19	(46,791)		$ (46,791)
18	Accrued Vacation	Schedule 19	(721,130)		$ (721,130)
19	Lead/Lag Study Requirement	Schedule 3	2,686,584	$ (92,826)	$ 2,593,758 4/
20	Total Working Capital	L6:L19	4,848,566	(16,021,161)	$ (11,172,595)
	ARM Regulatory Assets:				
21	ARM Regulatory Asset	Schedule 20	41,515,109		$ 41,515,109
22	**Total Rate Base**	L6 + L20 + L21	**1,514,485,998**	**(15,928,335)**	**1,482,536,502**

1/ Exhibit DND-13, line 4
2/ Exhibit DND-13, line 10
3/ Exhibit DND-13, line 23
4/ Exhibit DND-10, line 5

Spire Tennessee Inc.
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Exhibit DND-7

CAD Adjusted Income Statement
HBP/ABRR

Line No.		[A + B] [C] Spire HBP Ending 12/31/25		CAD Adjustments		CAD Adjusted HBP			Spire Annual Base Rate Reset	CAD Adjustments		CAD Adjusted ABRR
	Operating Revenues:											
1	Gas Sales & Transportation Revenues	318,655,166	$			318,655,166		$	344,851,681			344,851,681
2	Forfeited Discount Revenues	1,260,998				1,260,998			1,260,998			1,260,998
3	Other Operating Revenues	2,800,029				2,800,029			3,037,870			3,037,870
4	**Total Operating Revenue**	322,716,193				322,716,193			**349,150,549**			**349,150,549**
5	Purchased Gas Expense	99,447,094				99,447,094			**121,629,359**			121,629,359
6	**Total Margin Operating Revenues**	223,269,099				223,269,099			**227,521,190**			**227,521,190**
7	**Operating & Maintenance Expenses**	56,937,244		(238,161)	1/	56,699,083			**56,856,429**	**(238,161)**	**1/**	**56,618,268**
	Other Operating Expenses:											
8	Depreciation Expense	42,534,726				42,534,726			56,252,894			56,252,894
9	Amortization Expense for ARM Regulatory Asset	318,048				318,048			1,146,750			1,146,750
10	Amortization Expense for Investment Tax Credit	(8,864)				(8,864)			(8,864)			(8,864)
11	General Tax Expense	10,776,309				10,776,309			10,776,309			10,776,309
12	State Excise Tax Expense	5,526,208		38,618		5,564,826	2/		4,770,905	58,970		4,829,875
13	Federal Income Tax Expense	16,213,202		116,655		16,329,857	3/		13,931,605	178,135		14,109,740
14	**Total Other Operating Expenses**	75,359,629		155,272		75,514,902			**86,869,599**	237,105		**87,106,704**
15	**Total Operating Expenses**	132,296,873		(82,888)		132,213,985			**143,726,028**	**(1,055)**		**143,724,973**
16	**Net Operating Income**	90,972,225		82,888		91,055,114			**83,795,162**	**1,055**		**83,796,217**
	Adjustments to Net Operating Income:											
17	AFUDC - Debt	2,666,890				2,666,890			2,385,818			2,385,818
18	AFUDC - Equity	6,019,196				6,019,196			5,525,051			5,525,051
19	Interest on Customer Deposits	(107,501)				(107,501)			(107,501)			(107,501)
20	**Total Adjustments to Net Operating Income**	8,578,585				8,578,585			**7,803,368**			**7,803,368**
21	**Net Operating Income For Return**	99,550,810	$			99,633,699		$	**91,598,530**			**91,599,586**

Column [E] header: [= C + D] [E]

1/ Exhibit DND-14, line 12
2/ Exhibit DND-8, line 17
3/ Exhibit DND-8, line 24

Spire Tennessee Inc.
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CAD Calculation of Income Tax Expense
HBP/ABRR

Line No.		Spire: Formula, Schedule or Workpaper Reference	Spire: HBP Ending 12/31/2025	CAD Adjustments	[A] CAD HBP Ending 12/31/25	[C] Spire Annual Base Rate Reset Spire Sched 8	CAD Adjustments	CAD ABRR As Adjusted
1	**Operating Revenues, Excluding AFUDC**	Schedule 9	$ 322,716,193	-	**322,716,193**	$ **349,150,549**		349,150,549
	Operating Expenses:							
2	Purchased Gas Expense	Schedule 9	99,447,094	-	99,447,094	121,629,359		121,629,359
3	O&M Expense	Schedule 9	56,937,244	(238,161) 2/	56,699,083	56,856,429	$ (238,161) 2/	56,618,268
4	Depreciation Expense	Schedule 9	42,534,726	-	42,534,726	56,252,894		56,252,894
5	Interest on Customer Deposits	Schedule 9	107,501	-	107,501	107,501		107,501
6	Amortization Expense for ARM Regulatory Asset	Schedule 9	318,048	-	318,048	1,146,750		1,146,750
7	Amortization of Investment Tax Credit	Schedule 9	(8,864)	-	(8,864)	(8,864)		(8,864)
8	General Taxes	Schedule 9	10,776,309	-	10,776,309	10,776,309		10,776,309
9	**Total Operating Expenses**	L2:L7	210,112,058	(238,161)	**209,873,897**	**246,760,378**	**(238,161)**	**246,522,217**
10	**NOI Before Excise and Income Taxes**	L1 - L9	112,604,135	238,161	**112,842,295**	**102,390,171**	238,161	102,628,332
11	AFUDC debt	Schedule 9	2,666,890	-	2,666,890	2,385,818		2,385,818
12	Interest Expense	Schedule 10	(30,590,699)	355,956	(30,234,743) 3/	(31,715,715)	$ 669,073	$ (31,046,642) 4/
13	Permanent Tax Differences	Schedule 52AA	338,258	-	338,258	338,258		338,258
14	**Net Income Before Income Taxes**	L10:L13	85,018,584	594,116	**85,612,700**	**73,398,532**	$ 907,233	74,305,765
	Tennessee Excise Tax Calculation:							
15	Net Income Before Income Taxes	L14	85,018,584	594,116	85,612,700	73,398,532		74,305,765
16	TN Statutory Income Tax Rate [1]	Schedule 11 & Settlement Agreement	6.50%		6.50%	6.50%		6.50%
17	**Excise Tax Expense**	L15 x L16	5,526,208	38,618	**5,564,826**	**4,770,905**	$ 58,970	$ **4,829,875**
	Federal Income Tax Calculation:							
18	Net Income Before Income Taxes	L14	85,018,584	594,116	85,612,700	73,398,532		74,305,765
19	State Excise Tax Expense	L17	5,526,208	38,618	5,564,826	4,770,905		$ 4,829,875
20	**Net Income Before Federal Income Tax**	L18 - L19	79,492,376	555,499	**80,047,875**	**68,627,627**		69,475,891
21	Federal Income Tax Rate	Schedule 11	21%		21.00%	21.00%		21%
22	**Federal Income Tax Expense, Pre-Adjusted**	L20 x L21	16,693,399	116,655	**16,810,054**	**14,411,802**	178,135	14,589,937
23	Annual EDIT Amortization Expense for Protected PPE	Schedule 52X	480,197	-	480,197	480,197		480,197
24	**Net Federal Income Tax Expense**	L22 - L23	$ 16,213,202	116,655	$ **16,329,857**	$ **13,931,605**	178,135	**14,109,740**

1/ The Tennessee Statutory Income Tax Rate is utilized for the HBP and the Annual Base Rate Reset in accordance [illegible]
2/ Exhibit DND-14, line 12
3/ Exhibit DND-9 line 12
4/ Exhibit DND-9 line 12

Spire Tennessee Inc.
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Exhibit DND-9

Capital Structure/Interesst Synchronization
HBP/ABRR

			Spire				
Line No.	Historic Base Period	Formula, Schedule or Workpaper Reference	[A] End of HBP Percent of Total	[B] Cost Rate	[C] = [A * B] (Fair ROR) Pre-Tax Overall Cost of Capital	[D] Tax Factor	[E] = [C * D] Net of Tax Overall Cost of Capital
	Class Cost of Capital:						
1	Short-Term Debt	Schedule 52Y	6.50%	4.29%	0.28%	0.725000	0.20%
2	Long-Term Debt	Schedule 52Y	44.18%	4.22%	1.86%	0.725000	1.35%
3	Common Equity	Schedule 52Y	49.32%	**9.80%**	4.83%	1.000000	4.83%
4	**Total**	L1 + L2 + L3	**100.00%**		**6.98%**		**6.39%**
	ABRR Reset						
5	**Short-Term Debt**	Schedule 52Y	6.34%	0.038	0.24%	0.725000	0.17%
6	**Long-Term Debt**	Schedule 52Y	44.23%	0.0419	1.85%	0.725000	1.34%
7	**Common Equity**	Schedule 52Y	49.43%	0.098	4.84%	1.000000	4.84%
8	**Total**	L1 + L2 + L3	**100.00%**		**6.94%**		**6.36%**

Line No.		Reference	Historic Base Period	ABRR Period
	Interest Expense of Debt for			
9	Rate Base		$ 1,410,698,681 1/	$ 1,482,536,502 2/
10	Short-Term Debt Interest Expense	L1, Col [C] x L9	3,933,733	3,571,727
11	Long-Term Debt Interest Expense	L2, Col [C] x L9	26,301,010	27,474,915
12	**Total Interest Expense**	L10 + L11	$ **30,234,743**	**31,046,642**
	Return on Equity Calculation			
13	Total Rate Base	Schedule 2 L22 Col [E]	$ 1,410,698,681	$ 1,482,536,502
14	Equity Portion of Rate Base	Line 3	49.32%	49.32%
15	Equity Rate Base	L9 * L10	$ 695,756,589	731,187,003
16	Net Operating Income for Return	Schedule 9 L21 Col [E]	$ 99,633,699	$ 91,599,586
17	Interest Expense	L6 + L7	30,234,743	31,046,642
18	Net Equity Income for Return	L12 - L13	$ 69,398,956	60,552,944
19	**Earned Return on Equity**	L14 /L11	**9.97%**	**8.28%**
20	**Earned Rate of Return**	L12/L9	**7.06%**	**6.18%**

1/ Exhibit DND 5 Line 22
2/ Exhibit DND 6 Line 22

Spire Tennessee Inc.
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Exhbit DND-10

Cash Working Capital Summary
HBP/ABRR

Line No.		[A] HBP Ending 12/31/25		[B] Annual Base Rate Reset	
1	Revenue Lag	$ 52.10	1/	$ 52.10	1/
2	Expense Lead	48.52	2/	48.15	4/
3	Net Lag	3.58		3.95	
4	Daily Cost of Service	$ 600,412	3/	$ 656,408	5/
5	**Net Cash Working Capital Required**	**$ 2,148,806**		**$ 2,593,758**	

1/ Spire Schedules 4A and 4B.
2/ Exhibit DND-11 line 34
3/ Exhibit DND-11, line 35
4/ Exhibit DND-12 line 34
5/ Exhibit DND-12, line 35

Spire Tennessee Inc.
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Tennessee Attorney General Office

Exhbit DND-11

Cash Working Capital Detail
Historic Base Period

Line No.		Spire Formula, Schedule or Workpaper Reference	[A] HBP Ending 12/31/25	CA Adjustments		CA Adjusted HBP		[B] Lag Days per from Docket No. 20-00086	[C] Dollar Days
	Revenues:								
1	Sales & Transportation Revenues	Schedule 9	$ 318,655,166			318,655,166		52.22	$ 16,639,329,082
2	Forfeited Discounts Revenue	Schedule 9	1,260,998			1,260,998		42.80	53,974,703
3	Other Operating Revenues	Schedule 9	2,800,029			2,800,029		42.80	119,850,098
4	**Total Revenue Lag**	L1:L3	**$ 322,716,193**			**322,716,193**		**52.10**	**$ 16,813,153,883**
	Purchased Gas and O&M Expense:								
5	Purchased Gas	Schedule 9	$ 99,447,094			99,447,094		38.57	$ 3,835,388,135
6	Employee Salaries and Wages (Labor Expense)	Schedule 52U	20,033,128			20,033,128		10.03	200,833,250
7	Incentive Pay - STIP	Schedule 52U	1,138,175			1,138,175		256.15	291,542,237
8	Incentive Pay - LTIP	Schedule 52U	-			-		621.50	-
9	Pension & Other Employee Benefits	Schedule 52U	6,425,451			6,425,451		11.55	74,226,951
10	Prepaid Insurance	Schedule 52U	1,190,443			1,190,443		0.00	-
11	Fleet Expense	Schedule 52U	2,785,853			2,785,853		38.54	107,363,681
12	Credit Card Expense	Schedule 52U	1,620,287			1,620,287		31.63	51,256,829
13	Virtual Card Expense	Schedule 52U	1,306,696			1,306,696		31.55	41,224,562
14	Service Company Charges	Schedule 52U	5,159,549			5,159,549		20.66	106,601,061
15	Outside Services	Schedule 52U	2,416,652			2,416,652		71.95	173,877,861
16	Regulatory Amortizations	Schedule 52U	1,987,321			1,987,321		0.00	-
17	TPUC Fee Expense	Schedule 52U	1,193,503			1,193,503		270.00	322,245,832
18	Uncollectible (Bad Debt) Expense	Schedule 52U	969,409			969,409		0.00	-
19	Other O&M Expenses	Schedule 52U	10,710,776	(238,161)	1/	10,472,615		42.25	442,513,668
20	**Depreciation Expense**[1]	Schedule 9	-					0.00	-
	General Taxes:								
21	Gross Receipts Tax	Schedule 7	779,926			779,926		-158.50	(123,618,349)
22	Franchise Tax	Schedule 7	1,020,099			1,020,099		45.00	45,904,468
23	Property Tax	Schedule 7	7,461,829			7,461,829		228.98	1,708,587,200
24	Payroll Tax	Schedule 7	1,509,791			1,509,791		28.49	43,015,431
25	Allocated & Other Taxes	Schedule 7	4,663			4,663		35.21	164,176
26	Amortization of Investment Tax Credit	Schedule 9	(8,864)			(8,864)		0.00	-
	Income Taxes:								
27	State Income Taxes	Schedule 8	5,526,208	38,618		5,564,826	2/	45.00	250,417,148
28	Provision for Excess Deferred Income Tax (EDIT)	Schedule 8	480,197			-		0.00	
29	Federal Income Taxes	Schedule 8	16,213,202	116,655		16,329,857	3/	37.50	612,369,627
30	**Interest on Customer Deposits**	Schedule 9	107,501			107,501		0.00	-
	Return:								
31	Interest on Long-Term Debt	Schedule 10	26,610,653	(309,644)		26,301,010	4/	92.94	2,444,510,802
32	Interest on Short-Term Debt	Schedule 10	3,980,045	(46,312)		3,933,733	5/	1.49	5,850,681
33	Income for Return[1]	Schedule 10	-			-		0.00	-
34	**Total Expense Lag**	L5:L33	**$ 220,069,590**	(919,041)		**219,150,548**		**48.52**	**$ 10,634,275,251**
35	**Daily Cost of Service**	L34 / 365				**$ 600,412**			

1/ Exhibit DND-14 line 12
2/ Exhibit DND-8, line 17
3/ Exhibit DND-8, line 24
4/ Exhibit DND-9, line 7
5/ Exhibit DND-9, line 6

Spire Tennessee Inc.
Docket No. 26-00042
Consumer Advocate Division
Tennessee Attorney General Office

Exhibit DND-12

Cash Working Capital Detail
Annual Base Rate Reset

Line No.		Spire Formula, Schedule or Workpaper Reference	[A] Spire Annual Base Rate Reset Spire Sched 4B	CA Adjustments	CA Adjusted ABRR	[B] Lag Days from Docket No. 20-00086	[C] Dollar Days
	Revenues:						
1	Sales & Transportation Revenues	Schedule 9	$ 344,851,681		344,851,681	52.22	$ 18,007,241,760
2	Forfeited Discounts Revenue	Schedule 9	1,260,998		1,260,998	42.80	53,974,703
3	Other Operating Revenues	Schedule 9	3,037,870		3,037,870	42.80	130,030,447
4	**Total Revenue Lag**	L1:L3	$ **349,150,549**		**349,150,549**	**52.10**	$ **18,191,246,909**
	Cost of Gas and O&M Expense:						
5	Purchased Gas	Schedule 9	$ 121,629,359		121,629,359	38.57	$ 4,690,894,239
6	Employee Salaries and Wages (Labor Expense)	Schedule 52U	20,033,128		20,033,128	10.03	200,833,250
7	Incentive Pay - STIP	Schedule 52U	1,138,175		1,138,175	256.15	291,542,237
8	Incentive Pay - LTIP	Schedule 52U	-		-	621.50	-
9	Pension & Other Employee Benefits	Schedule 52U	6,425,451		6,425,451	11.55	74,226,951
10	Prepaid Insurance - Other Injuries & Damages	Schedule 52U	1,190,443		1,190,443	0.00	-
11	Fleet Expense	Schedule 52U	2,785,853		2,785,853	38.54	107,363,681
12	Credit Card Expense	Schedule 52U	1,620,287		1,620,287	31.63	51,256,829
13	Virtual Card Expense	Schedule 52U	1,306,696		1,306,696	31.55	41,224,562
14	Service Company Charges	Schedule 52U	5,159,549		5,159,549	20.66	106,601,061
15	Outside Services	Schedule 52U	2,416,652		2,416,652	71.95	173,877,861
16	Regulatory Amortizations	Schedule 33 and 34	1,906,506		1,906,506	0.00	-
17	TPUC Fee Expense	Schedule 52U	1,193,503		1,193,503	270.00	322,245,832
18	Uncollectible (Bad Debt) Expense	Schedule 52U	969,409		969,409	0.00	-
19	Other O&M Expenses	Schedule 52U	10,710,776	$ (238,161) 1/	10,472,615	42.25	442,513,668
20	**Depreciation Expense**[1]	Schedule 9	-			0.00	-
	General Taxes:						
21	Gross Receipts Tax	Schedule 7	779,926		779,926	-158.50	(123,618,349)
22	Franchise Tax	Schedule 7	1,020,099		1,020,099	45.00	45,904,468
23	Property Tax	Schedule 7	7,461,829		7,461,829	228.98	1,708,587,200
24	Payroll Tax	Schedule 7	1,509,791		1,509,791	28.49	43,015,431
25	Allocated & Other Taxes	Schedule 7	4,663		4,663	35.21	164,176
26	Amortization of Investment Tax Credit	Schedule 9	(8,864)		(8,864)	0.00	-
	Income Taxes:						
27	State Income Taxes	Schedule 8	4,770,905	58,970	4,829,875 2/	45.00	217,344,363
28	Provision for Excess Deferred Income Tax (EDIT)	Schedule 8	480,197		480,197	0.00	-
29	Federal Income Taxes	Schedule 8	13,931,605	178,135	14,109,740 3/	37.50	529,115,251
30	**Interest on Customer Deposits**	Schedule 9	107,501		107,501	0.00	-
	Return:						
31	Interest on Long-Term Debt	Schedule 10	28,067,015		27,474,915 4/	92.94	2,608,649,693
32	Interest on Short-Term Debt	Schedule 10	3,648,700		3,571,727 **5/**	1.49	5,426,747
33	Income for Return[1]	Schedule 10	-		-	0.00	-
34	**Total Expense Lag**	L5:L33	$ **240,259,155**		**239,589,027**	**48.15**	$ **11,537,169,151**
35	**Daily Cost of Service**	L34 / 365	$ **656,408**				

1/ Exhibit DND-14 line 12
2/ Exhibit DND-8, line 17
3/ Exhibit DND-8, line 24
4/ Exhibit DND-9, line 7
5/ Exhibit DND-9, line 6

Spire Tennessee Inc.
Docket No. 26-00042
Consumer Advocate Division
Tennessee Attorney General Office

Exhibit DND-13

Revenue Requirement Implications of Service Line Adjustment

Utility Plant in Service

To Eliminate Service Line Costs Not Serving Customers

Line No.		Item	Dep. Rate		Amount	Calculation	Reference Notes
1	I	**Utility Plant in Service (Reductcion)**					
2		Residential			$ 12,351,684	See Tetimony of Mr. Dixon	Exhibit BoD-1
3		Commercial - Industrial			$ 4,631,856	See Tetimony of Mr. Dixon	Exhibit BoD-1
4		Total Adjustment to Eliminate Services			**$ 16,983,540**	Line 2 + Line 3	
5	II	**Depreciation Expense (Reduction)**	Dep. Rate				
6		Historic Base Period (Half Year Convention)	2.94%	1/	**$ 249,658**	Line 4 * Dep Rate * 50%	Assumed Mid-Year Plant in Service/ Spire Schedule 14.2
7		Annual Base Rate Reset	2.94%	1/	**$ 499,316**	Line 4 * Dep Rate	
8	III	**Accumulated Depreciation (Reduction)**					
9		Historic Base Period			**$ 249,658**	See Depreciation Expense Calculation	
10		Annual Base Rate Reset			**$ 748,974**	Sum Depreciation in HBP + ABR; Lines 6 + Line 7	
11	IV	**Property Tax Expense Reduction**			**60,135**	Line 4 * Line 12	
12		Utility Plant in Service * Property Tax Exp Ratio	0.3541%	2/			
13	V.	**Reduction in ADIT (Increased Rate Base)**					
14		Tax Depreciation Historic Base Period	5.00%		$ 849,177	Line 4 * MACRS Tax Dep Rate; yr 1	
15		Less: Book Depreciation Historic Base Period			$ (249,658)	Line 6	
16		Tax vs Book Depreciation Reductions			$ 599,519	Line 14 - Line 15	
17		Composite Tax Rate			27.49%	Exhibit DND-16, line 15	
18		Reduction in ADIT (Increased Rate Base) Historic Base Period			**$ 164,786**	Line 16 * Line 17	
19		Tax Depreciation Annual Base Rate Reset	9.50%		$ 1,613,436	Line 4 * MACRS Tax Dep. Rate; yr 2	
20		Less: Book Depreciation Annual Base Rate Reset			$ (499,316)	Line 7	
21					$ 1,114,120	Line 19 + Line 20	
22		Composite Tax Rate			27.49%	Exhibit DND-16, line 15	
23		Reduction in ADIT (Increased Rate Base) Annual Base Rate Reset			**$ 306,231**	Line 21 * Line 22	

1/ Spire Schedule 14.2; Service Line Depreciation Rate
2/ See Schedule DND-16, line 20

Spire Tennessee Inc.
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Exhibit DND-14

Elimination of Dues and Donations
Source: Response to Consumer Advocate 1-9

Line No.	Vendor		Amount
1	American Gas Association	$	129,856
2	Bellevue Harpeth Chamber of Commerce		550
3	Energy Solutions Center		4,378
4	Hendersonville Area Chamber of Commerce		2,500
5	Mt Juliet Chamber of Commerce		3,000
6	Nashville Area Chamber of Commerce		33,325
7	Nashville Area Hispanic Chamber of Commerce		2,500
8	Southeren Gas Association		9,891
9	Tennessee Chamber of Commerce and Industry		6,525
10	The Natural Gas Vehicle Coalition of America		5,935
11	Unidentified from AG 1-9	$	39,701
12	Total Calculated from AG 1-9 (Transactions)		238,161

Exhibit DND-15

CONFIDENTIAL

Exhibit DND-16

CONFIDENTIAL