

**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)** )

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**CONSUMER ADVOCATE’S FIRST SET OF DISCOVERY REQUESTS  
TO SPIRE TENNESSEE INC.**

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This First Set of Discovery Requests is hereby served upon Spire Tennessee Inc (“Spire” or the “Company”), pursuant to Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Regs. 1220-01-02-.11. The Consumer Advocate Division of the Office of the Attorney General (“Consumer Advocate”) requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Shilina Brown, on or before Monday, June 18, 2026, at 2:00 p.m. Central.

**PRELIMINARY MATTERS AND DEFINITIONS**

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

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

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

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

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

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

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

(b) “Affiliate” shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater

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

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

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

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

(f) “Identify” with respect to:

- i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person’s relationship, whether business, commercial, professional, or personal with you;

- ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and current or last known business address of such person or entity (if no business address is available provide any address known to you);
- iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and
- iv. Any oral communication, means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.

(g) “And” and “or” shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.

(h) “Including” shall be construed to mean including but not limited to.

**FIRST SET OF DISCOVERY REQUESTS**

1-1. Confidential – [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

1-2. Confidential – [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

1-3. Confidential – [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

1-4. Confidential – [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

1-5. Confidential – [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

1-6. Confidential – [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

1-7. **Legal Expenses.** Regarding legal invoices supporting costs charged on the books of Piedmont-Tennessee in 2025, provide the following:

- a. Copies of those invoices whose charges were directly assigned to Piedmont-Tennessee and identify the account(s) charged; and
- b. Copies of those invoices whose charges were allocated to Piedmont-Tennessee and identify the account(s) charged.

**RESPONSE:**

1-8. **CIAC.** Regarding the three largest Contributions in Aid of Construction (CIAC) made in 2025, provide the following:

- a. A copy of all contracts which cover such contributions;
- b. Calculations identifying the amount of CIAC due; and
- c. Any supporting calculations available which demonstrate that post-CIAC the projects will generate a reasonable rate of return for the Company.

**RESPONSE:**

1-9. **Dues and Donations.** Identify the Company's costs included in both the i) Historic Base Period and ii) Annual Base Rate Reset associated with:

- a. Dues and Donations charged directly to Piedmont-Tennessee operations; and
- b. Dues and Donations allocated to Piedmont-Tennessee operations.

For each vendor, explain why such costs should be recovered from Spire customers.

**RESPONSE:**

**1-10. Revenue.** Refer to the file titled “Schedule 29” and specifically the tab titled “Schedule 29.2” and respond to the following questions:

- c. Confirm that reversals include recoveries of past due balances? If this is not confirmed, provide a comprehensive definition of the term ‘reversals’ as is used in this schedule.
- d. Footnote 1 references the new billing system. Regarding the billing system, provide the following information:
  - i. Date the billing system became effective;
  - ii. Cost of the billing system; and
  - iii. Depreciation/amortization rate applicable to the billing system.

**RESPONSE:**

**1-11. Working Capital.** Refer to the file titled “Schedule 52D Working Capital Calculation” and specifically the tab titled “Schedule 52.D.5” and respond to the following:

- a. Provide a listing of assets and associated balances tying to the November 2025 balance of \$7,890,746 as shown for Fleet Cost Pool for accounts 0803290 and 0803400;
- b. Provide a description of how these assets are necessary in the provision of natural gas service in Tennessee; and
- c. Provide a complete explanation of the underlying accounting occurring within account 186120 Indirect Overhead.

**RESPONSE:**

**1-12. Working Capital.** Refer to the file titled “Schedule 52D Working Capital Calculation” and specifically the tab titled “Schedule 52.D.6,” as well as the corresponding file from the Company’s 2025 ARM filing. The average balance shown in account 232016 in 2025 was approximately \$100 million, representing a decline of approximately \$42 million from those levels recorded in 2024. Provide a comprehensive explanation identifying the decisions leading to such a dramatic reduction in accounts payable in 2025. Provide the underlying budgets for 2024 and 2025 which led to the dramatic reduction in Accounts Payable balances.

**RESPONSE:**

**1-13. Working Capital.** Refer to the file titled “Schedule 52D Working Capital Calculation” and specifically the tab titled “Schedule 52.D.6” as well as the corresponding file from the Company’s 2025 ARM filing. In both the 2025 and 2026 filings, Piedmont purportedly ran queries of its Accounts Payable (AP) to determine the estimated split of AP between CWIP, Materials and Supplies, O&M and Other. The results of this sample suggested that the AP associated with O&M increased from \$587 million in 2024 to \$959 million in 2025, representing an increase of approximately \$372 million in O&M-related AP. Provide financial statement support for the two periods that supports the accuracy of this AP query. Provide any other evidence that supports the significant growth in O&M costs underlying this query.

**RESPONSE:**

**1-14. Adjustments.** For each ratemaking adjustment reflected in this filing, explain whether the adjustment:

- a. Is expressly required by the ARM tariff;
- b. Is expressly permitted by the ARM tariff; or
- c. Reflects Company interpretation or discretion.

**RESPONSE:**

**1-15. Adjustments.** Please identify all adjustments reflected in this filing that were not expressly identified in prior ARM proceedings.

**RESPONSE:**

**1-16. Prudence.** Please explain the process how the Company determined that each cost included in this filing is “prudently incurred” within the meaning of the ARM tariff.

**RESPONSE:**

**1-17. Prudence.** Please explain how the Company verified the accuracy of all inherited Piedmont accounting records used in this filing.

**RESPONSE:**

**1-18. Acquisition.** Please identify any costs associated with the acquisition transaction, integration activities, or transition activities that are reflected anywhere in:

- a. Rate base;
- b. Operating expenses;
- c. Deferred balances;
- d. TSA charges;

- e. Affiliate allocations;
- f. Capital expenditures;
- g. Environmental deferrals; and
- h. Overhead allocations.

**RESPONSE:**

**1-19. Incentive Compensation.** Please identify all Short Term Incentive Performance (STIP) metrics applicable during the HBP.

**RESPONSE:**

**1-20. Incentive Compensation.** For each STIP metric, identify:

- a. Weighting;
- b. Actual achievement;
- c. Payout percentage; and
- d. Whether the metric primarily benefits customers or shareholders.

**RESPONSE:**

**1-21. Capital Budget.** Provide the Spire 2026 – 2029 capital budget by the following primary categories:

- a. New Business/Growth;
- b. Maintenance/System Integrity;
- c. System Improvements;
- d. Facilities;
- e. IT;
- f. Automated Meter Reading, if applicable;

- g. LNG, if applicable;
- h. RNG, if applicable; and
- i. All Other.

**RESPONSE:**

**1-22. Regulatory Asset.** Refer to the file titled “Schedule 52Z\_Calculation of ARM Regulatory Asset” and provide the following documentation:

- a. Supporting calculations for “Depreciation Expense Portion” and “Interest Expense Portion” for 2025 with cell references intact;
- b. Supporting calculations for “Depreciation Expense Portion” and “Interest Expense Portion” for 2024 with cell references intact; and
- c. Supporting calculations for “Weighted Average Depreciable Life” for 2024 and 2025 with cell references intact.

**RESPONSE:**

**1-23. Amortization Expense.** Refer to the file titled “Schedule 52Z” and specifically the tab titled “Schedule 52Z.1,” the weighted average Depreciation Life in Years, and specifically to the three-state asset section of the spreadsheet and respond to the following:

- a. Indicate whether the three state asset values contained in this spreadsheet are gross values, or net Tennessee values after applying an allocation factor.
- b. Provide the analytical support underlying the response in part (a), demonstrating that the values are either pre- or post-allocation to Tennessee.

- c. If the values represent gross values prior to application of the Tennessee three-state allocation factor, discuss the rationale for using the gross values rather than the Tennessee portion of these balances.
- d. Refer to the July value associated with account 20300 Miscellaneous Intangible Plant in the amount of \$9,271,936. Provide:
  - i. A description of the intangible asset(s) under construction and the benefits accruing to Tennessee customers; and
  - ii. Provide supporting documentation for the July charges to this account.

**RESPONSE:**

**1-24. Depreciation Expense.** Refer to the files titled “Schedule 14.2” from Piedmont’s 2025 ARM filing, Schedule 14.1 from the pending ARM filing and “Schedule 52Z” and respond to the following:

- a. The annualized Depreciation Expense on Schedule 14.2 in the 2025 Piedmont ARM filing was calculated at \$51,958,622. The 2025 Depreciation Expense recorded to Account 0403002 was \$42,019,347. If these two balances are not comparable, explain the distinction between the forecasted annualized depreciation expense in the 2025 ARM filing, with the gross depreciation expense recorded in this account.
- b. Provide a reconciliation between the two values referenced in item (a).
- c. Confirm that the Depreciation Expense recorded to account 0403002 would incorporate Depreciation Expense on assets in service as of December 31, 2024, as well as assets placed in service during 2025.

- d. Confirm that the Depreciation Expense associated with new plant placed in service subsequent to December 31, 2024, is recorded both in account 0403002 and offset by a credit to account 0403500. If this is not confirmed, please provide an explanation of the nature of the transactions contained in the two accounts.

**RESPONSE:**

**1-25. CWIP.** For each CWIP project with a December 31, 2025, balance more than \$1 million, provide the following:

- a. Project description;
- b. Estimated completion date;
- c. Original budget;
- d. Current budget;
- e. Cost overruns;
- f. Justification for the project; and
- g. Customer benefits.

**RESPONSE:**

**1-26. Acquisition Transaction.** Regarding the decision and eventual sale of its Tennessee operations to Spire, respond to the following:

- a. Identify the costs incurred by Piedmont, by month, by account, by department. related to the preparation, planning, and eventual sale of its Tennessee operations. Identify the portion of the above costs that are included in the Historic Base Period costs within the pending filing.
- b. Provide a narrative of how Piedmont identified the costs associated with the transactions.

- c. Provide a copy of all internal documents describing how employees were to identify such costs for special reporting purposes.

**RESPONSE:**

**1-27. Acquisition Transaction.** Regarding the decision and eventual sale of its Tennessee operations to Spire, respond to the following:

- a. Identify the costs incurred by Duke, by month, by account, by department. related to the preparation, planning, and eventual sale of Piedmont's Tennessee operations. Identify the portion of the above costs that are included in the Historic Base Period costs within the pending filing.
- b. Provide a narrative of how Duke identified the costs associated with the transactions.
- c. Provide a copy of all internal documents describing how Duke employees were to identify such costs for special reporting purposes.

**RESPONSE:**

**1-28. Incentive Compensation.** Short-term incentive compensation charged to Administrative and General Expense (A&G) accounts increased from \$124,968 in 2024 to \$1,342,372 in 2025. Respond to the following:

- a. What portion of the 2024 Incentive compensation expense included in A&G were based upon:
  - i. group metrics versus; and
  - ii. specific individual criteria?

- b. What portion of the 2025 Incentive compensation expense included in A&G were based upon:
  - i. group metrics versus; and
  - ii. specific individual criteria?
- c. What portion of the 2025 incentive compensation expenses relates either directly or indirectly to the sale of Piedmont's Tennessee operations?
- d. Provide a copy of the team metrics applicable to Piedmont Tennessee employees whose costs are direct assigned to Piedmont-Tennessee operations.
- e. Provide a copy of the short-term incentive compensation metrics applicable to Piedmont's corporate employees whose costs are allocated to Piedmont-Tennessee operations and compare with the actual application of such metrics based upon 2025 results.
- f. Provide a copy of the individual or team (as applicable) portion of short-term incentive compensation metrics applicable to those five employees with the largest short-term incentive compensation costs charged to the A&G expense accounts of Piedmont Tennessee.
- g. Compare the actual accrued costs included within the Historic Base Period with the actual employee payments made for incentive compensation associated with 2025 operating results. This response should include listing the accounts charged for the 2025 short-term incentive compared with the accounts used in the true-up between estimated incentive costs and actual incentive costs.
- h. Provide a narrative explanation discussing the reason for the dramatic increase in short-term incentive compensation charged to A&G expense accounts.

**RESPONSE:**

- 1-29. Incentive Compensation.** Identify the amount of short-term incentive compensation allocated to Piedmont-Tennessee operations in 2025 from Duke affiliates other than Piedmont. Identify the portion of this amount included in historic base period operating expenses.

**RESPONSE:**

- 1-30. Incentive Compensation.** Identify the amount of long-term incentive compensation allocated to Piedmont-Tennessee operations in 2025 from Duke affiliates other than Piedmont. Identify the portion of this amount included in historic base period operating expenses.

**RESPONSE:**

- 1-31. Employee Agreements.** Identify and provide copies of all employee agreements in effect in 2025 for any Piedmont employees whose costs are included in the historic base period. Identify such costs and the account(s) where they were recorded.

**RESPONSE:**

- 1-32. EADIT Amortization.** Refer to the files titled “Schedules 52X\_Amortization of EDIT” within Piedmonts’ 2023-2025 ARM filings and not the significant decline in amortization rates for both the Tennessee Direct and Three State Joint Property. For the latter category the amortization rate has declined from 10.34% in 2023 to .77% in 2025. Respond to the following:

- a. Please provide a reconciliation of the annual ARAM amortization calculation by plant vintage and account showing the factors causing the year-over-year change in amortization, including the impact of retirements, depreciation rate changes, protected balance reclassifications, and any modifications to the ARAM model for each year of 2023 - 2025.
- b. Provide a narrative discussion explaining why the ARAM amortization period has changed on the Tennessee Direct Property in 2025 vs 2024.
- c. Provide a narrative discussion explaining why the ARAM amortization period has changed significantly on the three-state joint property for 2023 vs. 2024 and 2024 vs 2025.

**RESPONSE:**

**1-33. 4% Cap.** Refer to the Commission’s order in Docket No. 25-00074 issued June 2, 2026, and the revenue change summary tab within the file “1-12 Lead Schedules\_2026 ARM” and specifically the Company’s application of the cap to apply to its Total Operating revenue and respond to the following:

- a. Has the Company’s position regarding the application of the cap to total Operating Revenue changed with the reading of the Commissions’ order in Docket 25-00074?
- b. If the answer to part (a) is yes, please modify the Rate Change Summary schedule to reflect the change in the Company’s position.
- c. If not, provide support reconciling the use of Total Operating Revenue to calculate the cap with specific language contained in the order which the Company believes supports its position.

- d. If part (a) is no, provide the Company's definition of 'base rate increase' as such term is used in the Commission's order on lines 1 through 3 of page 31.

**RESPONSE:**

**1-34. Outside Services Costs.** Identify legal and/or consulting costs incurred in the historic base period for intervention and/or review of FERC filings made by interstate pipelines. For each of the outside entities provide the following:

- a. Specify the nature of service provided;
- b. Identify the FERC matter to which the costs apply;
- c. Identify the proposed rate increase to Piedmont-Tennessee from any such FERC proceeding identified in part (b) above. Provide the actual or pending rate increase applicable to Piedmont Tennessee if a FERC order has been issued (actual) or a Stipulation and Agreement has been entered into (pending) in the matter referenced above;
- d. Provide a copy of any testimony or legal petition (filing) made by Piedmont in the FERC matter identified above; and
- e. Provide a summary of the benefits achieved from Piedmont's involvement in the FERC proceeding.

**RESPONSE:**

**1-35. FERC Costs.** Regarding the three largest interstate pipelines used by Piedmont Tennessee, respond to the following:

- a. Identify the proposed rate increases in each case submitted to FERC in the 2020 – 2025 time frame along with the potential impact to Piedmont-Tennessee operations based upon the as-filed request.

- b. Identify the actual rate increase authorized in each of the cases identified above.
- c. Indicate whether Piedmont formally participated in each of the identified filings above and if so, the extent of such participation.

**RESPONSE:**

- 1-36. **CIAC**. Provide any analysis or evaluations in the possession of either Piedmont or Spire that evaluate the reasonableness of Piedmont’s line extension policy from the perspective of Piedmont’s legacy customers based upon current and/or recent construction costs.

**RESPONSE:**

- 1-37. **Capital Budgets**. Provide the variance between projected and actual construction costs for new business for the period 2015 through 2025. The projected capital budget should be the final such budget prior to the start of the calendar year.

**RESPONSE:**

- 1-38. **Capital Budgets**. Provide the annual five-year capital budget for ‘new business’ that was prepared in the period 2015 – 2025. This would include ten separate five-year capital budget forecasts, with the first prepared in 2015 covering the period 2016 – 2020. The second such forecast would be 2016 prepared forecast covering the period 2017 – 2021.

**RESPONSE**

- 1-39. **ADIT**. Refer to the file titled “Schedule 18\_ADIT 13 Month Avg Bal” and respond to the following:

- a. Provide a narrative explanation identifying the distinctions between tabs identified as “M DBR Statutory Proforma – TN”, “J DRB Statutory Proforma – TN”, “S DBR, N DBR Statutory Proforma – TN” and “D DRB Statutory Proforma – TN”.

- b. Identify the name and provide an explanation for each of the codes contained in column B of tab “M DRB – Statutory Proforma – TN”.
- c. Provide the rationale for inclusion of the NOL attributable to North Carolina (excel row 9) within the M DRB-Statutory Proforma-TN tab.

**RESPONSE:**

- 1-40. DEBS Costs.** Refer to the file titled “Schedule 52T”. Provide a complete explanation of the functions performed at the a) Charlotte Data Center and b) the Carolinas West Primary Control Center and how these assets benefit the Company’s Tennessee customers.

**RESPONSE:**

- 1-41. Advertising Costs.** Refer to the file titled “Schedule 38”. Provide the text of the advertising deployed in 2025 and the associated costs for each ad placement. Please also identify the media used to deploy the ads.

**RESPONSE:**

- 1-42. Capital Expenditures.** Provide a breakdown of Capital Expenditures included in the 2025, 2024 and 2023 ARM Test Years by the primary categories listed below. If Spire uses other similar category designations that would equate to the list below, please note the differences in the response.

- a. New Business/Growth;
- b. Maintenance/System Integrity;
- c. System Improvements;
- d. Facilities;
- e. IT;

- f. Automated Meter Reading, if applicable;
- g. LNG, if applicable;
- h. RNG, if applicable; and
- i. All Other

**RESPONSE:**

**1-43. Capital Expenditures.** Provide a breakdown of Capital Expenditures budget amounts for the 2025, 2024 and 2023 ARM Test Years by the primary categories listed below. If the budget time frame does not align with the ARM Test Year, the nearest corresponding 12-month period would be acceptable. If Spire uses other similar categories designations that would equate to the list below, please note the differences in the response.

- a. New Business/Growth;
- b. Maintenance/System Integrity;
- c. System Improvements;
- d. Facilities;
- e. IT;
- f. Automated Meter Reading, if applicable;
- g. LNG, if applicable;
- h. RNG, if applicable; and
- i. All Other.

**RESPONSE:**

**1-44. Line Extensions.** When Spire reviews proposals for line extensions for new residential, commercial or industrial business, there would be a decision as to whether AIC is charged to the requesting party. Does the Company consider the following issues when making that decision and would the response be different based upon the class of customer requesting the extension?

- a. Financial security of the party requesting the extension?
- b. Consideration of the timing of revenue generation from the project, i.e., 1 year, 3 years, 5 years, etc.?
- c. How is the decision made whether to collect AIC prior to construction or at the end of a given time period?
- d. If the model used to determine ROE/ROI of a project identifies the need for AIC, who in the Company can override the model and waive the AIC?

**RESPONSE:**

**1-45. Line Extensions.** Identify all proposals for a line-extension for new residential, commercial or industrial business, with a cost of over \$500,000 where no AIC was charged to the requesting party.

**RESPONSE:**

**1-46. Line Extensions.** Identify all proposals for a line-extension for new residential commercial or industrial business, with a cost of over \$500,000 and the amount of AIC that was charged to the requesting party.

**RESPONSE:**

**1-47. Plant Accounting.** If a new main or service line is installed and ready for service for a new development, but the development is not yet ready to receive gas deliveries, where is the cost of that installation recorded?

**RESPONSE:**

**1-48. Capital Expenditures.** Provide the Contractor costs for Capital Expenditures included in the 2025, 2024 and 2023 ARM Test Years?

**RESPONSE:**

**1-49. Capital Expenditures.** What is the net dollar volume of Developer installed natural gas piping for new customers compared to Spire installed natural gas piping for new customers that is included in the New Business/Growth category of Capital Expenditure?

**RESPONSE:**

**1-50. Capital Expenditures.** What Capital Expenditures are typically completed by Contractors?

**RESPONSE:**

**1-51. Capital Expenditures.** Does the Company have employees (Contractor Inspectors) designated to monitor Contractor Construction projects? If not, how does the Company ensure that work is completed in compliance with regulatory related issues and Company policy?

**RESPONSE:**

**1-52. Capital Expenditures.** What Capital Expenditures are typically completed by Company Employees?

**RESPONSE:**

**1-53. Customer Counts.** Provide the number of customers by class (i.e., Residential, Commercial, etc.) at the end of the 2025, 2024 and 2023 ARM Test Years?

**RESPONSE:**

**1-54. Capital Expenditures.** Provide all specific new business construction projects and the number of anticipated new customers to be added as a result of each capital expenditure project.

**RESPONSE:**

**1-55. DIMP.** Provide a copy of the most recent Distribution Integrity Management Plan (DIMP) and the most recent Transmission Integrity Management Plan (TIMP).

**RESPONSE:**

**1-56. DIMP.** Identify the Risk Assessment Model used to rank the risks, both operational and capital, and the risk tiers identified within the DIMP. Provide the risks that were ranked as High Risk by integrity management areas and what risks are being mitigated. If risks were identified as High Risk but were not included in the operational or capital plan for mitigation, please provide an explanation for postponing risk mitigation.

**RESPONSE:**

1-57. **DIMP**. If a Risk Prioritization model was utilized to prioritize the risks which were identified by the Risk Assessment Model to be mitigated, provide the results of that model for the 2025 period and the purpose for utilizing the prioritization model.

**RESPONSE:**

1-58. **DIMP**. When the risk evaluation is completed and a high risk is identified, how long does it take for the mitigation of that risk to occur and what is the process to ensure that the risk is addressed?

**RESPONSE:**

1-59. **DIMP**. How is the risk assessment/prioritization process utilized in determining Capital Expenditure Budgets for current and future years?

**RESPONSE:**

1-60. **DIMP**. How many Integrity Management Regions does Spire Tennessee have in their DIMP and in their TIMP?

**RESPONSE:**

1-61. **CIAC**. Provide a narrative description, including hypothetical examples of how the Company complies with its line extension policies regarding the collection of customer contributions.

**RESPONSE:**

1-62. **LNG Project**. Refer to the Direct Testimony of David Yonce, at 7:13 – 16:

The project was originally expected to be placed in service in calendar year 2025. However, due to construction challenges, the in service date has shifted, and the project is now expected to be placed in service in mid-2026.

- a. Identify and explain the “construction challenges” that have caused the shift of the in service date.
- b. Identify any changes in cost resulting from the change of the service date.

**RESPONSE:**

**1-63. Affordability.** Refer to the Direct Testimony of Joe Hampton, at 4:6: “paramount to the Company are affordability . . .”.

- a. Define “affordability” as used in this context.
- b. Explain how the Company is measuring or determining affordability. Explain whether it is on a customer-by-customer basis, total economy basis, or some other assessment.
- c. What customer information is Spire using to assess affordability?
- d. How is Spire obtaining that information?
- e. How is Spire considering affordability in its analysis? Include the stage at which affordability is considered (provide specific examples).
- f. How is the consideration of affordability affecting Spire’s decisions? Provide specific examples.

**RESPONSE:**

**1-64. Economic Development.** Refer to the Direct Testimony of Joe Hampton, at 5:9-12:

Spire Tennessee is committed to supporting local economic development, workforce initiatives, and community programs and providing safe, reliable service at reasonable rates for the long term.

Refer to Hampton, at 5:15-6:5:

Although we’re just getting started, just over a month after the Tennessee community welcomed Spire Tennessee, we hosted our first Day for Good project on May 8, 2026. More than 35 volunteers helped students at

Nashville's Dan Mills Elementary School celebrate their annual field day. Orange Spire Serves shirts made their Nashville debut as members of Spire Tennessee cooked 800 hot dogs and staffed activities for students, their families and faculty.

- a. How does Spire intend to support local economic development and community programs?
- b. Does Spire have outreach and economic development plans and budgets?
- c. How will/does Spire's interaction with the community differ from Piedmont's previous activities? Provide the budgets for these efforts.
- d. How does Spire intend to recover the expenses associated with these activities?

**RESPONSE:**

**1-65. Rate Design.** Refer to the Direct Testimony of Eric Bouselli, at 12:7-12:

Spire Tennessee is proposing the same overall rate design, which includes fixed monthly charges, demand charges, and volumetric rates, for each rate schedule, including step rates for Large General Service, which underlies its existing rates. This is the same rate design methodology that the TPUC approved in Piedmont's last general rate case proceeding and Piedmont's previous Annual ARM proceedings.

- a. Provide Spire's definition of rate design.
  - i. Does Spire's definition of rate design allow for changes in the relationship (ratios) of rates among the rate components for specific customer classes?
  - ii. Does Spire's definition of rate design allow for changes in the relationship (ratios) of rates among the rate components between customer classes?
- b. Provide Spire's definition of rate structure.
- c. Explain the difference between rate design and rate structure as used by Spire.

**RESPONSE:**

**1-66. Rate Design.** Refer to the Direct Testimony of Eric Bouselli, at 12:16-19: “Spire proposed to change the base margin volumetric billing rates”.

- a. Confirm that the proposed increase is only applied to the volumetric portion of rates.
- b. Confirm that Spire is not proposing a change to the monthly charge.
- c. Is Spire representing that the ratio between the monthly service charge and the volumetric charge in rates will be the same as that approved in the last rate case?
- d. Is Spire representing that the rate changes in Piedmont’s last rate case were made only to the volumetric rates?
- e. Is Spire representing that the monthly charge (rates) did not change in Piedmont’s last rate case?
- f. Confirm that the ratio between the base rate for volumetric charges and the monthly charge would change.
- g. Explain how an increase in one component of the rate design while others change maintains the same rate design.

**RESPONSE:**

**1-67. CCOSS/Rate Design.** Refer to the Direct Testimony of Eric Bouselli, at 12:22-13:4:

In allocating the proposed rate increase, however, Spire Tennessee also strives to avoid disproportionately or unfairly burdening one class of customers versus another, i.e., cross-subsidization. Generally, the Company seeks to mitigate cross subsidization by gradually and simultaneously moving each customer class toward parity with the overall jurisdictional rate of return to avoid customer bill volatility.

- a. Is Spire alleging that cross-subsidization currently exists in rates?
  - i. Explain how Spire defines cross subsidization.
  - ii. How does Spire determine cross subsidization.

- iii. Is the determination in response to (ii) above based on a fully allocated cost study?
- iv. Is the response to (ii) dependent on the allocation of joint and/or common costs?

**RESPONSE:**

**1-68. CCOSS/Rate Design.** Refer to the Direct Testimony of Eric Bouselli, at 13:14-13:18:

Spire Tennessee proposes to allocate the margin revenue increase of \$13,966,022 evenly across all applicable Rate Schedules such that the margin revenue percentage increase is the same for all the customer classes. This approach aligns with Spire Tennessee's rate design objectives.

Refer to Bouselli at 13:21-14:2:

The proposed rate design is incorporated into the Ninety-Second Revised Sheet No. 1, which is included as part of Attachment No. 5 to Spire Tennessee's 2026 Annual ARM Filing. This proposed rate design meets Spire Tennessee's rate design objectives and will gradually lead to more equalized rates of return across the customer classes.

- a. Is Spire submitting that the proposed rate design is an equal margin increase across rate classes and does not include the relationships/ratios of fixed vs variable costs for intra class rates and inter class rates?
- b. Will Spire's proposed rates change the
- c. Is Spire suggesting that its rate design objectives mirror those in Docket No 20-00086?
- d. Is Spire equating rate design with percentage of class revenue contribution to total revenue?
- e. Will Spire's proposed rates change the Rate of Return in Table 1 of the Direct Testimony of John D. Taylor?

**RESPONSE:**

**1-69. CCOSS.** Refer to the Direct Testimony of John D. Taylor, at 3:19-20:

The COSS provides insights into the development of economically efficient rates and the cost responsibility by rate class.

- a. Define economically efficient rates as use in this context.
- b. Is the cost study an embedded cost study?
- c. Is the cost study a marginal cost study?
- d. Is the revenue increase allocation recommendation predicated on rates reflecting cost per component?
- e. Does the cost study suggest that volumetric charges reflect only the commodity cost?
- f. Does the cost study suggest that volumetric charges reflect marginal costs of delivering the commodity?
- g. Were the price elasticities of demand assessed or included as part of the cost study?  
If so, did you analyze the response to monthly rates and volumetric rates?
- h. What is Spire's avoided cost for each residential customer that disconnects from the system/no longer takes gas service?

**RESPONSE:**

**1-70. CCOSS.** Refer to the Direct Testimony of John D. Taylor, at 5:5-11:

Cost causation addresses the need to identify which customer or group of customers causes the utility to incur types of costs, so the analysis results in an appropriate allocation of the utility's total revenue requirement among the various rate classes. In other words, the costs assigned or allocated to particular customers should be costs that those particular customers caused the utility to incur because of the characteristics of their usage of utility service.

Refer to Taylor at 6:2: “In order to establish the cost responsibility of each customer class”

- a. What is the relationship between cost responsibility in 6:2 and cost causation at 5:3 and 5:5.
- b. Are the terms substitutable?
- c. How are abandoned, legacy, and unused capital expenditures treated? Are they removed from the CCOSS?

**RESPONSE:**

**1-71. CCOSS.** Refer to the Direct Testimony of John D. Taylor, at 6:11-14:

Indirect costs that support these functions, such as general plant and administrative and general expenses, are allocated to functions using allocation factors related to plant and/or labor ratios, i.e., internal allocation factors.

- a. Confirm that general plant and administrative and general expenses do not change based on based on the usage by an individual customer. If this is not confirmed, provide the amount by which these expenses change with the sale of the commodity to one residential customer.
- b. Confirm that general plant and administrative and general expenses do not change based on the addition or loss of a single residential customer. If this is not confirmed, provide the amount by which the general plant and administrative and general expenses change with the addition or loss of a residential customer.
- c. Explain how the allocation factors used in this context relate to the key factors that cause general plant and administrative and general costs to vary. Identify the amount by which costs the Company would change with a marginal change in each key factor. Do the variances equate to 100% of total costs?

**RESPONSE:**

**1-72. CCOSS.** Refer to the Direct Testimony of John D. Taylor, at 7:3-9:

Customer-related costs are incurred to attach a customer to the distribution system, meter any gas usage, and maintain the customer's account. Customer costs are a function of the number of customers served by the utility and are costs that the utility continues to incur whether or not the customer uses any natural gas. They may include capital costs associated with minimum size distribution systems, services, meters, customer billing, and accounting expenses.

- a. Confirm that customer costs include imbedded costs.
- b. Confirm that the customer costs are a function of the number of meters connected to the utility's system and are costs that the utility continues to incur whether a customer is served by the meter. If not, explain why customer costs are not a function of the number of meters connected to the system.

**RESPONSE:**

**1-73. CCOSS.** Refer to the Direct Testimony of John D. Taylor, at 20, Table 1:

- a. Confirm that the Summary Results on Table 1 are dependent on the assumptions contained in the CCOSS and that modifications in the assumptions would change the values in Table 1.
- b. Confirm that removal of common costs would change the values in Table 1.

**RESPONSE:**