

**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))

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

This Second 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 Tennessee Attorney General’s Office (“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, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Shilina Brown, on or before July 15, 2026, by 2:00 p.m. (CDT).

PRELIMINARY MATTERS AND DEFINITIONS

This Second Set of Discovery Requests incorporates by reference the same Preliminary Matters and Definitions as outlined in the Consumer Advocate’s First Discovery Request to ISHA, are to be considered continuing in nature, and are to be supplemented from time to time as information is received by the Company which would make a prior response inaccurate, incomplete, or incorrect.

2-3.

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

RESPONSE:

2-4.

[REDACTED]

RESPONSE:

2-5.

- [REDACTED]

■ [REDACTED]
■ [REDACTED]
■ [REDACTED]

RESPONSE:

2-6. Amortization of Excess Deferred Income Taxes: Refer to the Company’s response to AG

1-32. For each protected EDIT asset group included in the Tennessee Direct jurisdiction, provide:

- a. Original protected EDIT balance.
- b. Remaining protected EDIT balance at year-end 2023, 2024, and 2025.
- c. Weighted-average remaining book life at year-end 2023, 2024, and 2025.
- d. Annual ARAM amortization for 2023, 2024, and 2025.
- e. Amount of protected EDIT associated with:
 - o Mains
 - o Services
 - o Meters
 - o Regulators
 - o Other distribution plant accounts.

RESPONSE:

2-7. Amortization of Excess Deferred Income Taxes: Refer to the Company’s response to AG 1-32 and specifically, to the portion of EADIT related to Tennessee direct assets. Provide a comprehensive narrative explanation of why a relatively homogenous group of assets, such as those reflected on the books of Spire’s (Piedmont) Tennessee operations, dominated by Mains and Services, would experience such a significant shift in amortization rates from one year to the next.

RESPONSE:

2-8. Amortization of Excess Deferred Income Taxes: Refer to the Company’s response to AG 1-32 and specifically to the portion of EADIT related to Tennessee direct assets. Identify all life-parameter changes, survivor curve changes, or net salvage changes affecting

depreciation reflected within PowerTax that would have impacted the 2025 amortization of EADIT relative to 2024 results and provide the requisite authority relied upon to make such changes.

RESPONSE:

2-9. Amortization of Excess Deferred Income Taxes: Refer to the Company's response to AG 1-32 and specifically part (b). The response does not address Tennessee's direct assets and is non-responsive. Please respond to the original question AG 1-32 (b).

RESPONSE:

2-10. Amortization of Excess Deferred Income Taxes: Refer to the Company's response to AG 1-32. For Tennessee Direct and Three-State Joint Property, provide the weighted-average remaining ARAM life as of December 31, 2023, December 31, 2024, and December 31, 2025, together with a reconciliation explaining all changes in remaining life from year to year.

RESPONSE:

2-11. Amortization of Excess Deferred Income Taxes: Refer to the Company's response to AG 1-32. Has the Company's EADIT amortization been impacted by any retroactive application of the Repair Deduction taken in the period 2023 – 2025 that impacted tax depreciation on related assets? If so, provide all relevant details explaining the impact such a deduction had on the resulting EADIT amortization.

RESPONSE:

2-12. Advertisement: Refer to the response to AG 1-41. The requested text of the advertisement was not provided. Please provide the requested text associated with all advertising whose costs are included in the ARM filing.

RESPONSE:

2-13. Billing System: Refer to the response to AG 1-10 and specifically the installation of the new billing system effective July 8, 2024, at a cost of \$103.1 million. Please respond to the following questions:

- a. Describe in detail all factors that led the Company to replace its prior customer billing system.
- b. Identify each deficiency of the legacy billing system, including:
 - o reliability
 - o security
 - o vendor support
 - o regulatory compliance
 - o scalability
 - o maintenance costs
 - o customer service impacts.
- c. State whether the legacy billing system had reached end-of-life.
- d. Identify all studies, business cases, consultant reports, and management presentations supporting the decision.
- e. Produce the business case approved by executive management or the Board initiating the project.

RESPONSE:

2-14. Billing System: Refer to the response to AG 1-10 and specifically the installation of the new billing system effective July 8, 2024, at a cost of \$103.1 million. Provide a breakdown of the total project costs between the following components:

- i. Software licenses
- ii. Implementation consulting by vendor
- iii. Internal Labor

- iv. Cloud infrastructure
- v. Cybersecurity
- vi. Testing
- vii. Data conversion
- viii. Training
- ix. Contingency
- x. AFUDC
- xi. Other

RESPONSE:

2-15. Billing System: Refer to the response to AG 1-10 and specifically the installation of the new billing system effective July 8, 2024, at a cost of \$103.1 million. Please respond to the following questions:

- a. Identify the original estimated project cost immediately prior to the beginning of the project.
- b. Identify each revised estimated cost shared with internal management. Provide documentation of such revisions.
- c. Explain every variance exceeding 5%.
- d. Produce a copy of all change orders.
- e. Produce project budgets
- f. Produce monthly cost reports comparing actual versus budgeted costs and explanation for such variances.

RESPONSE:

2-16. Billing System: Refer to the response to AG 1-10 and specifically the installation of the new billing system effective July 8, 2024, at a cost of \$103.1 million. If a vendor and/or third-party contractor was used on the project respond to the following questions:

- a. Was an RFP issued?
- b. Provide a copy of the RFP.
- c. Identify all bidders.
- d. Provide a copy of the stated criteria that would be used to evaluate the bids and bidders.
- e. Provide a copy of the scoring matrix used to evaluate the bids.
- f. Identify the winning bidder and the contract value.

- g. Identify any Amendments to the scope of work and the associated contract cost changes associated with such amendments, if applicable.

RESPONSE:

2-17. Billing System: Refer to the response to AG 1-10 and specifically the installation of the new billing system effective July 8, 2024, at a cost of \$103.1 million. Identify whether the system has experienced any of the following (please exclude the impacts of causes due to human error):

- a. Billing errors
- b. Estimated bills
- c. Delayed bills
- d. Duplicate bills
- e. Incorrect late fees
- f. Incorrect deposits
- g. Payment processing failures
- h. Call center delays
- i. Collection errors
- j. Shutoff errors

For each of the items, identify the dates, duration and affected customers.

RESPONSE:

2-18. Billing System: For each of the following metrics, provide the 12 month results for the periods immediately prior to implementation and immediately after implementation of the new billing system:

- a. Number of billing complaints
- b. Average call center wait times
- c. First-call resolution rates
- d. Customer satisfaction
- e. Billing accuracy
- f. Bills requiring correction

RESPONSE:

2-19. Billing System: Refer to the response to AG 1-10 and specifically the installation of the new billing system effective July 8, 2024, at a cost of \$103.1 million. For the following items, identify the initially forecasted benefit of the new billing system and the actual benefit of the system:

- a. Labor reductions
- b. Reduction in overall O&M costs
- c. Faster Billing
- d. Reduced Bad Debt
- e. Reduced Call Center Staffing
- f. Reduction in Billing Errors
- g. Improved Collections

RESPONSE:

2-20. Billing System: Refer to the response to AG 1-10 and specifically the installation of the new billing system effective July 8, 2024, at a cost of \$103.1 million. Please respond to the following questions:

- a. Was a post-implementation audit or review performed of the billing system? If so, provide a copy of such audit and/or review.
- b. Did management conclude the objectives of the system were achieved?
- c. Identify any deficiencies and corrective actions identified because of the audit/review.

RESPONSE:

2-21. Billing System: Refer to the response to AG 1-10 and specifically the installation of the new billing system effective July 8, 2024, at a cost of \$103.1 million.

RESPONSE:

2-22. Billing System: Provide documentation of the regulatory attributes that were required of the new system. This should include a listing of the regulatory required capabilities of the new system.

RESPONSE:

2-23. Tariff: Confirm that the current Spire tariff with respect to Tennessee Service Regulations is identical to that in effect for Piedmont in 2025. If this is not confirmed, provide a red-lined version of the changes in Service Regulations from that in effect for Piedmont at December 31, 2025.

RESPONSE:

2-24. CIAC: For each of the residential projects identified within Confidential Response 1-45, identify the reason why CIAC was not collected on the project.

RESPONSE:

2-25. CIAC: For each of the residential projects identified within Confidential Response 1-45, provide the projected revenue and earned return on each project by month for 2025 and annually for the period 2026 – 2030. Provide the underlying calculations within this response and identify all assumptions relied upon in making the calculation.

RESPONSE:

2-26. CIAC: Provide a comprehensive narrative response that reconciles the cost allowance, allowed service footage and CIAC provisions identified in Attachment 1-61, with the corresponding tariff provisions in effect within Piedmont’s Service Regulations.

RESPONSE:

2-27. CIAC: Provide the composite average cost of Service Line per foot for Tennessee installations in 2025. Provide the supporting calculations for this response.

RESPONSE:

2-28. CIAC: In Response 1-44(b), the Company indicates that the timing of revenue generation does not impact the decision whether AIC is charged. Provide a narrative explanation reconciling this statement with the following statement in the Company’s service regulations:

“ If the customer wishes the facilities to be constructed along a route other than the route selected by the Company and/or if the gas Service line is more than the length allowed above and/or the Service to be rendered to the Customer will not produce a reasonable return to the Company, the Company may require the Customer to pay the excess cost of constructing the facilities along the alternate route or in excess of the footage allowed and/or to make a contribution which will permit the Company to earn a reasonable return.”

Why would the timing of revenue generation not have an impact on the ability of the Company to earn a reasonable return?

RESPONSE:

2-29. Allocated O&M: Refer to the response to AG 1-4. Attachment 5 does not provide the requested explanations for the entries. Please provide the information requested in the original AG 1-4(b).

RESPONSE:

2-30. Working Capital: Please refer to the response to AG 1-12. Provide a comprehensive explanation for the dramatic reduction in accounts payable to third-party pipeline construction contractors. Is this indicative of a shift in how construction is accomplished? Provide a copy of all documents recommending modification in staffing of construction projects with contract labor.

RESPONSE:

2-31. Please refer to the testimony of David Yonce, page 8, lines 6-13. Please confirm that the majority of the \$90 million LNG capital expenditure is included in Rate Base in the current proceeding.

RESPONSE:

2-32. Please refer to the testimony of David Yonce, page 8, lines 6-13. Please confirm that the accurate level of LNG-related capex investment may be identified by filtering on the 'Category' column within each monthly tab found within Schedule 52B. If this is not

confirmed, identify the level of LNG-related CWIP included in this base rate proceeding, along with the source of such information.

RESPONSE:

2-33. Provide original documentation prepared which supports the LNG project and which was approved by Piedmont and/or Duke management. This documentation should include the original budget for the project, a comprehensive explanation supporting the need for the project and the estimated date of completion.

RESPONSE:

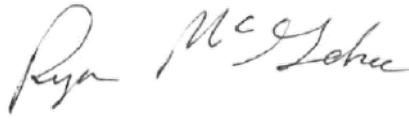
2-34. Provide internal variance reports associated with the LNG project effective as of December 31 for each year the project has been under construction which compares the actual versus estimated construction costs, along with explanation for such variances.

RESPONSE:

2-35. Refer to Confidential Response 1-7. The response taken as a whole is not responsive to the requested information. Please refer to Confidential Reponse AG 1-7, Attachment 1 which identifies various legal charges. For each invoice that was directly charged to Tennessee operations and included charges of \$5,000 or more, provide a copy of the invoice. This response should include ten separate legal invoices based upon the information provided for Tennessee direct-charged legal costs included in the top portion of Attachment 1.

RESPONSE:

RESPECTFULLY SUBMITTED,



RYAN MCGEHEE (BPR No. 025559)

Assistant Attorney General

SHILINA BROWN (BPR No. 020689)

Senior Assistant Attorney General

Office of the Tennessee Attorney General

Consumer Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 741-2357

Email: Shilina.Brown@ag.tn.gov

Email: Ryan.Mcgehee@ag.tn.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via electronic mail, and upon request via U.S. Mail, upon:

Paul S. Davidson, Esq.
Holland & Knight LLP
511 Union Street, Suite 2700
Nashville, Tennessee 37219
Phone: (615) 850-8942
Email: paul.davidson@hklaw.com

Brian L. Franklin, Esq.
James H. Jeffries IV, Esq.,
Charlotte A. Mitchell, Esq.
Alexandra B. Breazeale (BPR No. 043547)
McGuireWoods LLP
201 North Tryon Street, Suite 3000
Charlotte, NC 28202-2146
Email: bfranklin@mcguirewoods.com
Email: jjeffries@mcguirewoods.com
Email: camitchell@mcguirewoods.com
Email: abreazeale@mcguirewoods.com

This the 26th day of June 2026.



RYAN MCGEHEE
Senior Assistant Attorney General