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Holland & Knight

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July 16, 2026

VIA ELECTRONIC MAIL
and FedEx

Mr. David F. Jones, Chairman
c/o Ectory Lawless
Tennessee Public Utility Commission
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

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)
Docket No. 26-00042

Dear Chairman Jones:

Pursuant to the Joint Procedural Schedule, enclosed for filing please find Spire Tennessee Inc.'s ("Spire") responses to the Consumer Advocate Division's *Second Discovery Request* in the above-referenced docket, which were produced on Wednesday, July 15, 2026. In addition to the tabbed and bound copy of the responses, you will find four flash drives, two of which contain all public responses and attachments in native format and two flash drives which contain the confidential responses and attachments to be filed under seal, all of which will be Fed-Ex'd to your office from the McGuireWoods, LLP office.

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

A PDF of the public responses is also being filed today by way of email to the Tennessee Public Utility Commission docket manager, Ectory Lawless. Please file the original and provide a "filed" stamped copy of the same via email.

If you have any questions regarding these responses, you may reach me at the number shown above.

Very truly yours,

Paul S. Davidson

PSD:jv
Enclosures

cc: Kelly Cashman-Grams
Michelle Mairs
Chris Eaton
Karen Stachowski
Vance L. Broemel
Shilina B. Brown
David A. Yonce
Matt Aplington
Eric Bouselli
Antonio Arias
James H. Jeffries IV
Brian L. Franklin
Charlotte A. Mitchell
Mason E. Maney

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached was served via electronic mail upon the following:

Shilina B. Brown
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Email: Shilina.Brown@ag.tn.gov

Vance L. Broemel
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Email: Vance.Broemel@ag.tn.gov

This the 16th day of July 2026.

/s/ Paul S. Davidson
Paul S. Davidson

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-01
Confidential

[redacted]

a. [redacted]

– [redacted]

b. [redacted]

c. [redacted]

i. [redacted]

ii. [redacted]

iii. [redacted]

RESPONSE:

a. [redacted]

b. [redacted]

c. [redacted]

i. [redacted]

ii. [redacted]

iii. [redacted]

Name and title of responsible person: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Name and title of preparer: Kirby Lane, Manager, Business Development

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-01 Attachment

Confidential Attachment Filed Under Seal

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-02
Based upon a review of Spire's response to DR 1-42, please confirm that all mandated relocation projects, governmental or otherwise, are included in the Other Construction category?

a. How much of the other category is governmental relocation projects?
b. Are there any government relocation projects that also have construction dollars assigned to any new business capital expenditure category?

RESPONSE:

Yes, all relocations are included in the Other Construction category.

a. See DR 2-02 Attachment for details.
b. There are no government relocation projects that are associated with any new business capital expenditure.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Dale Graham – Lead Financial Analyst

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-02 Attachment

Attachment Provided Electronically

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-03
Confidential
[redacted]

a. [redacted]

b. [redacted]

c. [redacted]

RESPONSE:

a.&b.

[redacted]

c. [redacted]

Name and title of responsible person: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Name and title of preparer: Kirby Lane, Manager, Business Development

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-04
Confidential
[redacted]
A: [redacted]
B: [redacted]
C: [redacted]
D: [redacted]
E: [redacted]
F: [redacted]
G: [redacted]

RESPONSE:

See the attached confidential documents that are responsive to this request.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

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

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-04 Attachments

Confidential Attachments Filed Under Seal

REDACTED VERSION
Spire Tennessee
26-00042

DR 2-05
CONFIDENTIAL

[redacted]

a. [redacted]
b. [redacted]
c. [redacted]

RESPONSE:

a. [redacted]
b. [redacted]
c. [redacted]

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

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

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-05 Attachment

Confidential Attachment Filed Under Seal

REDACTED VERSION
Spire Tennessee
26-00042

DR 2-06
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:
    - Mains
    - Services
    - Meters
    - Regulators
    - Other distribution plant accounts.

RESPONSE:

See tabs labeled "2025 Filing", "2024 Filing", and "2023 Filing" in the attached excel file, "DR 2-06 Attachment 1 of 1" for the breakdown of how data is stored in PowerTax. See the response for 2-10 which discusses weighted-average remaining lives in PowerTax.

See tab labeled "Beg EDIT Balances 201801" in the attached excel file, "DR 2-06 Attachment 1 of 1" for the beginning EDIT balance at 1/1/2018.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-06 Attachment

Attachment Provided Electronically

DR 2-07
<u>Amortization of Excess Deferred Income Taxes</u>:
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:

In the year 2025, Duke did a conversion from PowerTax to the web-based version now called Tax Fixed Assets (TFA). During this conversion, a process was done to move cost of removal book depreciation balances into separate identifiable records in TFA. The change impacted both protected and non-protected records. Any differences in EDIT balances (before and after conversion) were put into separate records in TFA and amortized over 38 years. This was done in order to avoid any potential IRS normalization violations. Total EDIT balances were not impacted. Only the timing of the ARAM EDIT amortizations was impacted by making the change in this manner.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 2-08

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:

The 2025 ARAM amount was based on forecasted amounts. The book depreciation used in the 2025 forecast was based on actual 2024 book depreciation. The depreciation study performed and implemented in 2025 was not estimated at the time these amounts were presented.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 2-09

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:

See the response for DR 2-07 for explanation. The original response regarding short-lived assets does also apply to the TN Direct assets.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 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:

Actual book depreciation in PowerTax comes directly from the PowerPlant system each year. We do not maintain any statistics or have the records available for weighted-average remaining ARAM lives in PowerTax. The system is able to finalize ARAM for a given vintage once the underlying tax year and tax return have been filed and memorialized. There is a process to forecast ARAM, but it is cumbersome and would not be able to forecast the entire ARAM period, which would run out many more years/decades. In addition, the records/assets in PowerTax are stored at a much higher level of detail than in the book depreciation records.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 2-11

<u>Amortization of Excess Deferred Income Taxes:</u>

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:

Tax Repairs is a book tax basis difference. All book tax basis differences were treated as unprotected EDIT. The unprotected EDIT was amortized outside of PowerTax. The updated tax repairs amounts did not change the amortization of unprotected EDIT.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

Spire Tennessee
26-00042

DR 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:

The requested information was provided in the attachments to AG 1-41.

Name and title of responsible person: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Name and title of preparer: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 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:
   - reliability
   - security
   - vendor support
   - regulatory compliance
   - scalability
   - maintenance costs
   - 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:

Spire Tennessee objects to this data request on grounds that it is unduly burdensome and unreasonably cumulative in that it requires re-production of information provided across two prior ARM proceedings: Piedmont Natural Gas Company, Inc.'s ("Piedmont") 2024 ARM proceeding in Docket No. 24-00036 via Attachment 7 to the Application; and Piedmont's 2025 ARM proceeding in Docket No. 25-00036 via prior discovery responses. Subject to and without waiving the forgoing objection, however, Spire Tennessee responds as follows:

Please see Piedmont's July 14, 2025, response to Consumer Advocate Division Data Request No. 2-04, dated July 2, 2025, with specific information about Piedmont's legacy customer information system, as well as the new customer information system that Piedmont brought online in July 2024. Among other information provided, Piedmont stated that, "[t]he $105.4 million plant addition in July 2024 to Plant Account 20315 — Misc Intangible Plant — 15 yr, is for the new customer billing system (SAP), Customer Connect-Project ID 400105, which Piedmont put into service in July 2024."

Additionally, Attachment No. 7 to Piedmont's 2024 ARM Application included Piedmont's depreciation study, which stated that the old CIS "is considered fully depreciated and will be retired" and "is therefore excluded from the rate calculations."

Finally, Spire Tennessee notes that the S2K Legacy System was an end-of-life, decades-old CIS system, and on the mainframe which Duke was moving away from as a platform. Duke chose and implemented SAP for Customer Billing for all the other jurisdictions, so it was decided to also implement for Piedmont as the S2K replacement. The implementation set up Piedmont's Customer Operations with a more configurable, reportable and scalable platform.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 2-14
<u>Billing System:</u>
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:

Spire Tennessee objects to this data request on grounds that it is unduly burdensome and unreasonably cumulative in that it requires re-production of information provided across two prior ARM proceedings: Piedmont Natural Gas Company, Inc.'s ("Piedmont") 2024 ARM proceeding in Docket No. 24-00036 via Attachment 7 to the Application; and Piedmont's 2025 ARM proceeding in Docket No. 25-00036 via prior discovery responses. Subject to and without waiving the forgoing objections, however, Spire Tennessee responds as follows:

i. Software licenses_$10.35M
ii. Implementation consulting by vendor_$35.95M
iii. Internal Labor_$31.17M
iv. Cloud infrastructure_$0.89M
v. Cybersecurity_N/A
vi. Testing_Included in Labor/Consulting
vii. Data conversion_Included in Labor/Consulting
viii. Training_$0.35M of Outside Services; remainder in Labor
ix. Contingency_Not included in actual cost
x. AFUDC_$4.35M
xi. Other_$20.04M Other is mostly comprised of charges from dependent partner groups who required changes due to the implementation.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Scott Norris - Manager Project Controls

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 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:

Spire Tennessee objects to this data request on grounds that it is unduly burdensome and unreasonably cumulative in that it requires re-production of information provided across two prior ARM proceedings: Piedmont Natural Gas Company, Inc.'s ("Piedmont") 2024 ARM proceeding in Docket No. 24-00036 via Attachment 7 to the Application; and Piedmont's 2025 ARM proceeding in Docket No. 25-00036 via prior discovery responses. Subject to and without waiving the forgoing objections, however, Spire Tennessee responds as follows:

The Customer Connect Piedmont project was originally approved with a total funding of $157.8 million, consisting of $110.9 million in capital and $46.9 million in O&M. The approved funding included $20 million of contingency funding to address risks, scope refinements, and other cost impacts that emerged during project execution.

Cost forecasts were updated regularly and shared with project leadership through a live Power BI dashboard. Contingency was closely monitored throughout project execution and was sufficient to absorb all project changes and variances. As a result, no additional funding approvals or budget increases were required.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Scott Norris - Manager Project Controls

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 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:

Spire Tennessee objects to this data request on grounds that it is unduly burdensome and unreasonably cumulative in that it requires re-production of information provided across two prior ARM proceedings: Piedmont Natural Gas Company, Inc.'s ("Piedmont") 2024 ARM proceeding in Docket No. 24-00036 via Attachment 7 to the Application; and Piedmont's 2025 ARM proceeding in Docket No. 25-00036 via prior discovery responses. Spire Tennessee further objects to the extent that the discovery request seeks information that is nearly a decade old, not within the possession of Spire Tennessee, and unable to be retrieved by Piedmont in a timeframe as short as the discovery response period for this discovery request, to the extent the information exists. Subject to and without waiving the forgoing objections, however, Spire Tennessee responds as follows:

Please see Piedmont's July 14, 2025, response to Consumer Advocate Division Data Request No. 2-04, dated July 2, 2025, with specific information about Piedmont's legacy customer information system, as well as the new customer information system that Piedmont brought online in July 2024. Among other information provided, Piedmont stated that, "[t]he $105.4 million plant addition in July 2024 to Plant Account 20315 — Misc Intangible Plant — 15 yr, is for the new customer billing system (SAP), Customer Connect-Project ID 400105, which Piedmont put into service in July 2024."

Additionally, Attachment No. 7 to Piedmont's 2024 ARM Application included Piedmont's depreciation study, which stated that the old CIS "is considered fully depreciated and will be retired" and "is therefore excluded from the rate calculations."

Duke Energy performed an extensive RFP in 2017 to choose the Enterprise Billing Platform. SAP and Accenture were ultimately chosen. After it was implemented in all other jurisdictions, the same platform and partners were used to implement the Piedmont system. No new RFP was issued for the Piedmont system because Piedmont was in a unique position to leverage experienced members of the team coming off of the Duke Energy program and stopping to go through an RFP process would have resulted in additional time, additional cost, and the loss of highly-proficient resources who were already familiar with the system functions and technology.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 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:

Spire Tennessee objects to this data request on grounds that it is unduly burdensome and unreasonably cumulative in that it requires re-production of information provided across two prior ARM proceedings: Piedmont Natural Gas Company, Inc.'s ("Piedmont") 2024 ARM proceeding in Docket No. 24-00036 via Attachment 7 to the Application; and Piedmont's 2025 ARM proceeding in Docket No. 25-00036 via prior discovery responses. Subject to and without waiving the forgoing objection, however, Spire Tennessee responds as follows:

Please see Piedmont's July 14, 2025, response to Consumer Advocate Division Data Request No. 2-04, dated July 2, 2025, with specific information about Piedmont's legacy customer information system, as well as the new customer information system that Piedmont brought online in July 2024. Among other information provided, Piedmont stated that, "[t]he $105.4 million plant addition in July 2024 to Plant Account 20315 — Misc Intangible Plant — 15 yr, is for the new customer billing system (SAP), Customer Connect-Project ID 400105, which Piedmont put into service in July 2024." Additionally, Attachment No. 7 to Piedmont's 2024 ARM Application included Piedmont's depreciation study, which stated that the old CIS "is considered fully depreciated and will be retired" and "is therefore excluded from the rate calculations."

Spire Tennessee notes that, as with all extensive CIS implementation, the types of issues raised in this data request do occur. The project had an extended Hypercare and Warranty Period to address issues as they arose. Generally, it is recognized that the PNG Tennessee implementation stabilized much quicker than Piedmont's other jurisdictions because it was the last entity this was rolled out to.

REDACTED VERSION
Spire Tennessee
26-00042

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION
Spire Tennessee
26-00042

DR 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:

(CONFIDENTIAL)

[redacted]

[redacted]

a. [redacted]
b. [redacted]
c. [redacted]
d. [redacted]
e. [redacted]
f. [redacted]

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 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:

Spire Tennessee objects to this data request on grounds that it is unduly burdensome and unreasonably cumulative in that it requires re-production of information provided across two prior ARM proceedings: Piedmont Natural Gas Company, Inc.'s ("Piedmont") 2024 ARM proceeding in Docket No. 24-00036 via Attachment 7 to the Application; and Piedmont's 2025 ARM proceeding in Docket No. 25-00036 via prior discovery responses. Subject to and without waiving the forgoing objection, however, Spire Tennessee responds as follows:

Please see the response to DR 2-13. The prior application was at the end of its useful life and Duke was moving away from the application as a platform. Duke chose and implemented SAP for Customer Billing for all the other jurisdictions including PNG Tennessee.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 2-020
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:

Spire Tennessee objects to this data request on grounds that it is unduly burdensome and unreasonably cumulative in that it requires re-production of information included across two prior ARM proceedings: Piedmont Natural Gas Company, Inc.'s ("Piedmont") 2024 ARM proceeding in Docket No. 24-00036 via Attachment 7 to the Application; and Piedmont's 2025 ARM proceeding in Docket No. 25-00036 via prior discovery responses. Subject to and without waiving the forgoing objection, however, Spire Tennessee responds as follows:

It is Spire Tennessee's understanding from Piedmont that there was not a post-implementation audit performed on the billing system. The IT Audit team performed audits during the Customer Connect Piedmont project. These centered around Design Effectiveness Reviews and were focused on compliance with IT policies and procedures and good project management and deployment planning processes.

See the response to DR 2-22 for the list of system design attributes and objectives.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 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:

This request has been withdrawn per confirmation with the CAD on July 1, 2026.

Name and title of responsible person: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Name and title of preparer: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION
Spire Tennessee
26-00042

DR 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:

Please see DR 2-22 Attachment for the list of in-scope capabilities of the New CIS system.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-22 Attachment

Confidential Attachment Filed Under Seal

Spire Tennessee
26-00042

DR 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 redlined version of the changes in Service Regulations from that in effect for Piedmont at December 31, 2025.

RESPONSE:

Various tariff changes were requested and approved between December 31, 2025 and June 1, 2026. The CAD DR 2-23 Attachment - Tennessee Rate Components_12.25 to 06.26 is a redlined tariff comparing December 31, 2025 and June 1, 2026 and changes between those dates are summarized below:

- Piedmont Tariff Ninety-Third Revised Sheet No. 1: Effective between November 1, 2025 and December 31, 2025
    - Tariff in effect at December 31, 2025
- Piedmont Tariff Ninety-Fourth Revised Sheet No. 1: Effective between January 1, 2026 and March 31, 2026
    - Net increase to PGA / ACA rates
    - Addition of the City of Hendersonville 2% franchise fee.
- Spire Tennessee Tariff Original Sheet No. 1: Effective between April 1, 2026 and April 30, 2026
    - Removal of ARM Rider Rates in accordance with TPUC Ruling on March 16, 2026.
- Spire Tennessee Tariff First Revised Sheet No. 1: Effective between May 1, 2026 and May 31, 2026
    - Decrease to the Davidson County / Metro franchise fee from 7.19% to 5.78%.
- Spire Tennessee Tariff Second Revised Sheet No. 1: Effective starting June 1, 2026
    - Net increase to PGA / ACA rates

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-23 Attachment

Attachment Provided Electronically

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-24
CONFIDENTIAL
<u>CIAC</u>
[redacted]

RESPONSE:

[redacted]

Name and title of responsible person: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Name and title of preparer: Kirby Lane, Manager, Business Development

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-25
CONFIDENTIAL
<u>CIAC</u>

[redacted]

RESPONSE:

[redacted]

[redacted]

Name and title of responsible person: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Name and title of preparer: Kirby Lane, Manager, Business Development

Response provided by Spire Tennessee Inc. on July 15, 2026.

Spire Tennessee
26-00042

DR 2-26
<u>CIAC</u>
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:

Allowed service footage is based on anticipated gas usage and future margin. Residential customers receive up to 200 feet of allowed footage when installing gas heat and water heat, plus 10 additional feet for each additional gas equipment installed. Service footage beyond the allowed footage will be paid for by the customer. Commercial services footage allowance is determined by estimating future equipment usage and applying that future margin to the cost of the service. The calculation will determine allowed service footage, and any additional footage will be paid for by the customer. See Section 4 of the Company's service regulations.

Name and title of responsible person: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Name and title of preparer: Kirby Lane, Manager, Business Development

Response provided by Spire Tennessee Inc. on July 15, 2026.

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

RESPONSE:

The TN New Service line actual spend in 2025 was $26,270,037 and approximately 259,818 footage of service main was installed, equating to approximately $101.10 per foot.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

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Spire Tennessee
26-00042

DR 2-28
CIAC
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:

For installation of new services, the Service Agreements state that should the customer fail to install and operate the gas appliances listed on the contract by a certain time (30 days for residential, 9 months for commercial), the customer agrees to pay a fee for the installed facilities.

For main extensions, the feasibility model does allow for future timing of usage after the facilities are installed, up to 4 years. This is used to determine AIC. Project Agreements also have provisions for charging after a designated time for failing to connect required appliances or equipment.

Name and title of responsible person: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Name and title of preparer: Kirby Lane, Manager, Business Development

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-29
<u>Allocated O&M</u>
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:

The information requested for AG 1-4(b) was provided in Attachment 5.

Please see the original CONFIDENTIAL Attachment 5 provided in response to AG 1-4. The Journal Entry tab cell A52 provides the explanation for the entry and states: "Accrue the estimated amount of bi-weekly payroll which will be paid in the next quarter."

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

DR 2-30
<u>Working Capital:</u>
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:

There was no shift in how construction work was accomplished. Piedmont has consistently worked with third-party contractors for major projects. In late 2023 and early 2024, several major projects were completed, resulting in an increase of accounts payable to respective the contractors. As the invoices related to the work were paid, accounts payable were reduced over the course of 2024. As mentioned in the response to AG 1-12, the balance in account 0232016 remained relatively stable over the course of the test period.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

Spire Tennessee
26-00042

DR 2-31
Please refer to the testimony of Daivd 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:

While the 12/31/2025 LNG upgrade project construction work in progress (CWIP) costs of approximately $83 million were part of the Company's Rate Base noted in Schedule 1, the CWIP effects on the Revenue Requirement Deficiency (Sufficiency) are negated through the Allowance for Funds Used During Construction (AFUDC) adjustment to Net Operating Income as noted in Schedule 9. The AFUDC adjustment requirement originates in the approved ARM Tariff Original Page 13 of 18, item 27. In essence, CWIP costs have no significant impact on the Revenue Requirement Deficiency (Sufficiency) until placed in service.

Name and title of responsible person: David Yonce, Vice President, Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

Spire Tennessee
26-00042

DR 2-32

Please refer to the testimony of Daivd 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:

Yes, to identify LNG related CWIP balances in Schedule 52B, “LNGPL” can be selected in the Category column.

Month/Year	Business Unit		Category	CP #	FP #	Utility Account	Balance in CWIP
202512	47136	LNGPL	LNGPL	233506	F0232444	26310 - Liquefaction Equipment	83,063,310.64
202512	47136	LNGPL	LNGPL	240149	FP17LNGPL	26350 - Other Equipment	53,254.00

Name and title of responsible person: David Yonce, Vice President, Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

Spire Tennessee
26-00042

DR 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:

Please see the attached confidential, original project charter which contains the requested information.

Name and title of responsible person: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Name and title of preparer: Cristina Paolicchi, Project Manager, Project Engineering

Response provided by Spire Tennessee Inc. on July 15, 2026.

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Spire Tennessee
26-00042

DR 2-33 Attachment

Confidential Attachment Filed Under Seal

REDACTED VERSION

Spire Tennessee
26-00042

DR 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:

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Year	Annual Budget	Annual Spend	Reason for Variance
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]

Name and title of responsible person: Eric Bouselli, Manager, Regulatory Strategy & Forecasting

Name and title of preparer: Cristina Paolicchi, Project Manager, Project Engineering

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION
Spire Tennessee
26-00042

DR 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 Response 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:

The confidential attachment, TN ARM Legal Invoices – Update.pdf, supplements the information produced in response to CAD DR 1-7, which included attachments containing electronic invoices. The attachment is an update to include one TN Direct invoice that was inadvertently excluded - invoice number - 92904444.

Additionally, the other Tennessee direct-charged legal invoices were previously provided and can be found on the following pages provided in the attachments produced for CAD DR 1-7:

- 92912935 ($5,000.50) – p. 37 of Part 1
- 92918187 ($9,624.50) – p. 4 of Part 1
- 92930344 ($18,656.00) – p. 8 of Part 1
- 92940563 ($24,858.00) – p. 14 of Part 1
- 92958810 ($35,740.00) – p. 16 of Part 1
- 92946182 ($53,082.50) – p. 15 of Part 1
- 92967329 ($44,012.50) – p. 18 of Part 1
- 92997734 ($8,210.50) – p. 37 of Part 1
- 92981740 ($37,742.96) – p. 2 of Part 2
- 92973072 ($85,671.56) – p. 21 of Part 1

The legal industry implements electronic billing and Duke Energy utilizes a Legal matter management system that work with outside vendors and law firms to receive invoices electronically. These electronic invoices are detailed by line item. The invoices provided in DR 1-7 reflect itemized line-item details for each electronic invoice. Please note: Total amounts reflected in each electronic invoice may differ from the sample amounts due to allocations as previously discussed.

Name and title of responsible person: Jay Neal, Sr. Analyst Regulatory Affairs

Name and title of preparer: Jay Neal, Sr. Analyst Regulatory Affairs

Response provided by Spire Tennessee Inc. on July 15, 2026.

REDACTED VERSION

Spire Tennessee
26-00042

DR 2-35 Attachment

Confidential Attachment Filed Under Seal