

THIS FILING IS

Item 1: ☒ An Initial (Original) Submission OR ☐ Resubmission No. _____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2019)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2019)
Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)



FERC FINANCIAL REPORT

FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

South Central MCN LLC

Year/Period of Report

End of 2017/Q4

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/forms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____, we have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/forms.asp#3Q-gas>.

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,168 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 168 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power;

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION

01 Exact Legal Name of Respondent South Central MCN LLC		02 Year/Period of Report End of <u>2017/Q4</u>
03 Previous Name and Date of Change <i>(if name changed during year)</i> / /		
04 Address of Principal Office at End of Period <i>(Street, City, State, Zip Code)</i> 201 East John Carpenter Freeway, Suite 900, Irving, TX 75062		
05 Name of Contact Person Tim Salvesen		06 Title of Contact Person VP & Controller
07 Address of Contact Person <i>(Street, City, State, Zip Code)</i> 201 East John Carpenter Freeway, Suite 900, Irving, TX 75062		
08 Telephone of Contact Person, <i>Including Area Code</i> (972) 476-0140	09 This Report Is (1) ☒ An Original (2) ☐ A Resubmission	10 Date of Report <i>(Mo, Da, Yr)</i> 12/31/2017

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Tim Salvesen	03 Signature Tim Salvesen	04 Date Signed <i>(Mo, Da, Yr)</i> 04/18/2018
02 Title VP & Controller		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	N/A
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	N/A
16	Electric Plant in Service	204-207	
17	Electric Plant Leased to Others	213	N/A
18	Electric Plant Held for Future Use	214	N/A
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	N/A
22	Materials and Supplies	227	None
23	Allowances	228(ab)-229(ab)	None
24	Extraordinary Property Losses	230	None
25	Unrecovered Plant and Regulatory Study Costs	230	None
26	Transmission Service and Generation Interconnection Study Costs	231	
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250-251	None
31	Other Paid-in Capital	253	
32	Capital Stock Expense	254	None
33	Long-Term Debt	256-257	None
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	None

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	N/A
68	Transmission Lines Added During the Year	424-425	N/A
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	
71	Footnote Data	450	
	Stockholders' Reports Check appropriate box: ☐ Two copies will be submitted ☒ No annual report to stockholders is prepared		

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
GENERAL INFORMATION			
1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept. Tim Salvesen, Vice President and Controller South Central MCN LLC 201 East John Carpenter Freeway, Suite 900 Irving, Texas 75062			
2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized. Delaware - March 7, 2014			
3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased. Not applicable			
4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated. Wholesale distribution service within the state of Oklahoma			
5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements? (1) ☐ Yes...Enter the date when such independent accountant was initially engaged: (2) ☒ No			

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

South Central MCN LLC ("SCMCN", "the Company", "we", "our", "us") was organized as a Delaware limited liability company and is a wholly-owned subsidiary of GridLiance Heartland LLC ("Heartland"). Heartland is a wholly-owned subsidiary of GridLiance Holdco, LP ("GridLiance LP"), a Delaware limited partnership. GridLiance LP's general partner is GridLiance GP, LLC, a Delaware limited liability company. Blackstone Power & Natural Resources Holdco, L.P. ("Blackstone P&NR Holdco" or "Blackstone"), an investment vehicle controlled by The Blackstone Group L.P., holds the vast majority of the limited partnership interest in GridLiance LP, with no other individual or entity holding a 5% or greater partnership interest.

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.

2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.

3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

1. See the Uniform System of Accounts for a definition of control.

2. Direct control is that which is exercised without interposition of an intermediary.

3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.

4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
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OFFICERS					
1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions. 2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.					
Line No.	Title (a)	Name of Officer (b)		Salary for Year (c)	
1	Chief Executive Officer (through June 2017)	Edward M. Rahill			
2	Chief Executive Officer (current)	J. Calvin Crowder			
3	President	Kevin A. Hopper			
4	Senior Vice President, General Counsel and Secretary	N. Beth Emery			
5	Senior Vice President and Chief Operating Officer	Noman L. Williams			
6	Senior Vice President and Chief Development Officer	Justin M. Campbell, IV			
7	Senior VP, CFO and Treasurer (through May 2017)	Jeffrey M. Bishop			
8	Senior VP, CFO and Treasurer (current)	Alison R. Zimlich			
9	Vice President-Regulatory & Corporate Services	Trent A. Carlson			
10	Vice President and Corporate Controller	Timothy S. Salvesen			
11	Vice President-Operations & Maintenance	James E. Useldinger			
12	Vice President-Financial Planning and Analysis	Brian Mills			
13	Vice President-Planning & Engineering	Jody Holland			
14	Senior VP-Development (through Sept. 2017)	Carl A. Huslig			
15					
16	The officers listed above are employees of GridLiance				
17	Management, LLC and receive no salary from SCMCN.				
18	Salary information will be provided to the Commission				
19	on a confidential basis if requested.				
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DIRECTORS					
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.					
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.					
Line No.	Name (and Title) of Director (a)			Principal Business Address (b)	
1	John-Paul Munfa (Managing Director)			345 Park Avenue	
2	Blackstone			New York, NY 10154	
3					
4	Darius J. Sepassi (Principal)			345 Park Avenue	
5	Blackstone			New York, NY 10154	
6					
7	J. Calvin Crowder (CEO)			201 East John Carpenter Freeway, Suite 900	
8	South Central MCN LLC			Irving, TX 75062	
9					
10	Duncan Kincheloe (President and General Manager)			1808 I-70 Dr. SW	
11	Missouri Joint Muicipal Electric Utility Commission			Columbia, MO 65203	
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13	David Osborn (General Manager)			2701 W. I-35 Frontage Rd.	
14	Oklahoma Municipal Power Authority			Edmond, OK 73013	
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INFORMATION ON FORMULA RATES FERC Rate Schedule/Tariff Number FERC Proceeding
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Does the respondent have formula rates?	☒ Yes ☐ No
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1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding
1	South Central MCN LLC/FERC Wholesale Distribution	Docket No. ER16-505
2	Tariff	Docket No. ER17-953
3		
4	South Central MCN LLC/FERC Transmission	Docket No. ER15-2594
5	Tariff	Docket No. ER17-953
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INFORMATION ON FORMULA RATES FERC Rate Schedule/Tariff Number FERC Proceeding	
Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?	☒ Yes ☐ No

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1	20180315-5183	03/15/2018	ER18-1129	Annual Informational Filing of South Central MCN LLC	Attachment H of SCMCN'S Wholesale Distribution Formula Rate Protocols
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Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report 12/31/2017	Year/Period of Report End of 2017/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears. - Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact. - Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization. - Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission. - Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization. - Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc. - Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee. - Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments. - State the estimated annual effect and nature of any important wage scale changes during the year. - State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year. - Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest. (Reserved.) - If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page. - Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period. - In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.			
PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.			

Name of Respondent	This Report is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report 2017/Q4
South Central MCN LLC			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None

2. None

3. None

4. None

5. None

6. None

7. None

8. None

9. None

10. None

11. (Reserved)

12. None

13. The following changes in officers occurred during the year ended December 31, 2017:

Individual (s) No Longer Serving as Officer (s):

1. James N. Chapman (Vice President, Engineering)
2. Edward M. Rahill (Director and Chief Executive Officer)
3. Jeffrey M. Bishop (Senior Vice President, Chief Financial Officer and Treasurer)
4. Carl A. Huslig (Senior Vice President - Development)
5. Albert Joshua Strickland (Vice President, Associate General Counsel-Corporate)

Newly Appointed Officer (s):

1. Sarah N. Galioto (Vice President, Associate General Counsel – Regulatory)
2. Brian Mills (Vice President, Financial Planning and Analysis)
3. Jody Holland (Vice President - Planning)
4. J. Calvin Crowder (Chief Executive Officer and Senior Vice President- South Central Utilities)
5. Justin M. Campbell, IV (Senior Vice President and Chief Development Officer)
6. Alison R. Zimlich (Senior Vice President, Chief Financial Officer and Treasurer)

Newly Appointed Director (s):

1. J. Calvin Crowder

Individual (s) No Longer Serving as Director (s):

Name of Respondent	This Report is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report 2017/Q4
South Central MCN LLC			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. Edward M. Rahill

14. None

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
South Central MCN LLC	(1) ☒ An Original (2) ☐ A Resubmission	12/31/2017	End of 2017/Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	51,406,413	39,280,497
3	Construction Work in Progress (107)	200-201	3,354,120	3,284,433
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		54,760,533	42,564,930
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	11,725,666	11,236,764
6	Net Utility Plant (Enter Total of line 4 less 5)		43,034,867	31,328,166
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		43,034,867	31,328,166
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		0	0
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		0	0
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		762,225	3,320,527
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		0	0
41	Other Accounts Receivable (143)		15,586	57,875
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		0	0
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	0	0
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	0	0
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		48,216	44,030
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		0	0
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		826,027	3,422,432
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		0	0
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	31,010,305	18,853,267
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	76,141
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	106,995	138,310
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		0	0
82	Accumulated Deferred Income Taxes (190)	234	5,203,841	5,237,128
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		36,321,141	24,304,846
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		80,182,035	59,055,444

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	0	0
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	63,556,957	50,670,747
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	6,492,249	2,111,205
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0
16	Total Proprietary Capital (lines 2 through 15)		70,049,206	52,781,952
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		0	0
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		0	0
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		0	0
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		0	0
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		0	0
42	Taxes Accrued (236)	262-263	634,370	0
43	Interest Accrued (237)		0	0
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

[illegible]

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.

2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.

3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.

4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.

5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)

6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.

7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	3,722,378	2,791,783		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	1,194,761	-12,985,587		
5	Maintenance Expenses (402)	320-323	491,657	65,155		
6	Depreciation Expense (403)	336-337	850,197	580,816		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337				
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)		2,799,965	109,887		
14	Taxes Other Than Income Taxes (408.1)	262-263	634,370			
15	Income Taxes - Federal (409.1)	262-263				
16	- Other (409.1)	262-263				
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	5,977,569	6,280,782		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	4,907,544	1,488,707		
19	Investment Tax Credit Adj. - Net (411.4)	266				
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		1,441,045	-7,657,428		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		2,281,333	10,449,211		

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017		Year/Period of Report End of 2017/Q4	
STATEMENT OF INCOME FOR THE YEAR (Continued)							
9. Use page 122 for important notes regarding the statement of income for any account thereof. 10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases. 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts. 12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122. 13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes. 14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports. 15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.							
ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY			
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	Line No.	
						1	
3,722,378	2,791,783					2	
						3	
1,194,761	-12,985,587					4	
491,657	65,155					5	
850,197	580,816					6	
						7	
						8	
						9	
						10	
						11	
						12	
2,799,965	109,887					13	
634,370						14	
						15	
						16	
5,977,569	6,280,782					17	
4,907,544	1,488,707					18	
						19	
						20	
						21	
						22	
						23	
						24	
1,441,045	-7,657,428					25	
2,281,333	10,449,211					26	

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017		Year/Period of Report End of 2017/Q4	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		2,281,333	10,449,211			
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)						
33	Revenues From Nonutility Operations (417)						
34	(Less) Expenses of Nonutility Operations (417.1)						
35	Nonoperating Rental Income (418)						
36	Equity in Earnings of Subsidiary Companies (418.1)	119					
37	Interest and Dividend Income (419)			1,027,942			
38	Allowance for Other Funds Used During Construction (419.1)		356,423	27,856			
39	Miscellaneous Nonoperating Income (421)		1,525,715				
40	Gain on Disposition of Property (421.1)						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		1,882,138	1,055,798			
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)						
44	Miscellaneous Amortization (425)						
45	Donations (426.1)						
46	Life Insurance (426.2)						
47	Penalties (426.3)						
48	Exp. for Certain Civic, Political & Related Activities (426.4)		23,500	25,648			
49	Other Deductions (426.5)						
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		23,500	25,648			
51	Taxes Applic. to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263					
53	Income Taxes-Federal (409.2)	262-263					
54	Income Taxes-Other (409.2)	262-263					
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277		319,887			
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	192,823				
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)						
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		-192,823	319,887			
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		2,051,461	710,263			
61	Interest Charges						
62	Interest on Long-Term Debt (427)			-139,172			
63	Amort. of Debt Disc. and Expense (428)						
64	Amortization of Loss on Reaquired Debt (428.1)						
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)						
68	Other Interest Expense (431)						
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		48,250	3,771			
70	Net Interest Charges (Total of lines 62 thru 69)		-48,250	-142,943			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		4,381,044	11,302,417			
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)						
75	Net Extraordinary Items (Total of line 73 less line 74)						
76	Income Taxes-Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (line 75 less line 76)						
78	Net Income (Total of line 71 and 77)		4,381,044	11,302,417			

Name of Respondent	This Report is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report 2017/Q4
South Central MCN LLC			
FOOTNOTE DATA			

Schedule Page: 114 Line No.: 2 Column: d

The prior year FERC Form 1 financial statements included the reporting period of April 1, 2016 through December 31, 2016, and therefore the balances in column d are only for the reporting period of April 1, 2016 through December 31, 2016.

Schedule Page: 114 Line No.: 2 Column: h

The prior year FERC Form 1 financial statements included the reporting period of April 1, 2016 through December 31, 2016, and therefore the balances in column d are only for the reporting period of April 1, 2016 through December 31, 2016.

Schedule Page: 114 Line No.: 31 Column: d

The prior year FERC Form 1 financial statements included the reporting period of April 1, 2016 through December 31, 2016, and therefore the balances in column d are only for the reporting period of April 1, 2016 through December 31, 2016.

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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STATEMENT OF RETAINED EARNINGS

- Do not report Lines 49-53 on the quarterly version.
- Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
- State the purpose and amount of each reservation or appropriation of retained earnings.
- List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
- Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		2,111,205	(9,191,212)
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		4,381,044	11,302,417
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31				
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		6,492,249	2,111,205
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

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Name of Respondent	This Report is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report 2017/Q4
South Central MCN LLC			
FOOTNOTE DATA			

Schedule Page: 118 Line No.: 1 Column: d

The prior year FERC Form 1 financial statements included the reporting period of April 1, 2016 through December 31, 2016, and therefore the balances in column d are only for the reporting period of April 1, 2016 through December 31, 2016.

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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	4,381,044	11,302,417
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	850,197	580,816
5	Amortization of		
6			
7			
8	Deferred Income Taxes (Net)	877,202	5,111,962
9	Investment Tax Credit Adjustment (Net)		
10	Net (Increase) Decrease in Receivables	42,281	-57,875
11	Net (Increase) Decrease in Inventory		
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	634,369	46,177
14	Net (Increase) Decrease in Other Regulatory Assets	-11,257,768	-18,839,079
15	Net Increase (Decrease) in Other Regulatory Liabilities		
16	(Less) Allowance for Other Funds Used During Construction	356,423	27,856
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):		
19	Net change in working capital	219,179	-177,707
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	-4,609,919	-2,061,145
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-11,910,478	-31,837,467
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-356,423	-27,856
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-11,554,055	-31,809,611
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies	13,605,672	37,191,283
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

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STATEMENT OF CASH FLOWS					
(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc. (2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet. (3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid. (4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.					
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)		
46	Loans Made or Purchased				
47	Collections on Loans				
48					
49	Net (Increase) Decrease in Receivables				
50	Net (Increase) Decrease in Inventory				
51	Net (Increase) Decrease in Allowances Held for Speculation				
52	Net Increase (Decrease) in Payables and Accrued Expenses				
53	Other (provide details in footnote):				
54					
55					
56	Net Cash Provided by (Used in) Investing Activities				
57	Total of lines 34 thru 55)	2,051,617	5,381,672		
58					
59	Cash Flows from Financing Activities:				
60	Proceeds from Issuance of:				
61	Long-Term Debt (b)				
62	Preferred Stock				
63	Common Stock				
64	Other (provide details in footnote):				
65					
66	Net Increase in Short-Term Debt (c)				
67	Other (provide details in footnote):				
68					
69					
70	Cash Provided by Outside Sources (Total 61 thru 69)				
71					
72	Payments for Retirement of:				
73	Long-term Debt (b)				
74	Preferred Stock				
75	Common Stock				
76	Other (provide details in footnote):				
77					
78	Net Decrease in Short-Term Debt (c)				
79					
80	Dividends on Preferred Stock				
81	Dividends on Common Stock				
82	Net Cash Provided by (Used in) Financing Activities				
83	(Total of lines 70 thru 81)				
84					
85	Net Increase (Decrease) in Cash and Cash Equivalents				
86	(Total of lines 22,57 and 83)	-2,558,302	3,320,527		
87					
88	Cash and Cash Equivalents at Beginning of Period	3,320,527			
89					
90	Cash and Cash Equivalents at End of period	762,225	3,320,527		

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South Central MCN LLC			
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 2 Column: c

The prior year FERC Form 1 financial statements included the reporting period of April 1, 2016 through December 31, 2016, and therefore the balances in column c are only for the reporting period of April 1, 2016 through December 31, 2016.

Schedule Page: 120 Line No.: 19 Column: b

Other Operating Cash Activity includes the following:

Net (Increase)/Decrease in Prepaid Expenses	(4,185)
Net (Increase)/Decrease in Misc. Deferred Debits	<u>+ 223,364</u>
Total	219,179

Schedule Page: 120 Line No.: 19 Column: c

Other Operating Cash Activity includes the following:

Net (Increase)/Decrease in Prepaid Expenses	(39,397)
Net (Increase)/Decrease in Misc. Deferred Debits	<u>+ (138,310)</u>
Total	(177,707)

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report 12/31/2017	Year/Period of Report End of 2017/Q4
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NOTES TO FINANCIAL STATEMENTS 1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement. 2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock. 3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof. 4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts. 5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions. 6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein. 7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted. 8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred. 9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.
PAGE 122 INTENTIONALLY LEFT BLANK SEE PAGE 123 FOR REQUIRED INFORMATION.

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South Central MCN LLC			
NOTES TO FINANCIAL STATEMENTS (Continued)			

**SOUTH CENTRAL MCN LLC
NOTES TO FINANCIAL STATEMENTS**

Note 1. Description of the Entity and Organization

South Central MCN LLC ("SCMCN", "the Company", "we", "our", "us") was organized as a Delaware limited liability company and is a wholly-owned subsidiary of GridLiance Heartland LLC ("Heartland"). Heartland is a wholly-owned subsidiary of GridLiance Holdco, LP ("GridLiance LP"), a Delaware limited partnership. GridLiance LP's general partner is GridLiance GP, LLC, a Delaware limited liability company. Blackstone Power & Natural Resources Holdco, L.P. ("Blackstone P&NR Holdco" or "Blackstone"), an investment vehicle controlled by The Blackstone Group L.P., holds the vast majority of the limited partnership interest in GridLiance LP, with no other individual or entity holding a 5% or greater partnership interest.

SCMCN is a start-up, stand-alone competitive electric transmission company. SCMCN's purpose is to develop, jointly own, operate, and maintain new or existing regulated transmission assets, including through Co-Development Agreements with non-jurisdictional electric cooperatives, municipally-owned electric utilities, and joint action agencies within the Southwest Power Pool, Inc. ("SPP") region and on SPP's seams with other regional transmission organizations ("RTOs"). The Company closed on its first acquisition of assets on April 1, 2016.

The Notes and the related Financial Statements for the period ended December 31, 2016 include the reporting period of April 1, 2016 through December 31, 2016.

Note 2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the accounting regulations of the Federal Energy Regulatory Commission ("FERC" or "the Commission"), as set forth in its Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). The principal differences between GAAP and FERC accounting and reporting requirements related to these financial statements include:

- a. The inclusion of income taxes as a component of the FERC financial statements pursuant to FERC's Policy Statement on Income Tax Allowances and precedent accounting orders, rather than the exclusion of income taxes pursuant to GAAP due to SCMCN's ownership by a tax partnership.
- b. The current portion of certain long-term assets and long-term liabilities are not reported separately on the FERC balance sheet.
- c. The accumulated cost of removal is included in the provision for depreciation of electric utility plant for FERC accounting and reporting, and recorded as a regulatory liability for GAAP accounting and reporting.
- d. The equity component of carrying charges on regulatory assets is not recorded for GAAP accounting and reporting.

Significant Accounting Policies

Use of Estimates

The preparation of financial statements in accordance with FERC requires us to use estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities. These estimates and assumptions also affect the reported amounts of revenue and expenses during the reporting period. Items that may be estimated include, but are not limited to, the recoverability of regulatory assets, the depreciable lives of plant, property, and equipment, expenses for services rendered but for which no invoice has been received, the effects of regulation, and various other recorded or disclosed amounts. We base our estimates on assumptions and information that are believed to be reasonable under the circumstances. Estimates and assumptions about future

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NOTES TO FINANCIAL STATEMENTS (Continued)			

events and their effects cannot be determined with certainty, and accordingly, these estimates may change as facts and circumstances change. Actual results may differ from the estimates used in the preparation of our financial statements.

Regulatory Accounting

The Company's accounting policies conform to ASC Topic 980, "Regulated Operations." Accordingly, assets and liabilities that result from the regulated ratemaking process are recorded that would otherwise not be recorded under accounting principles generally accepted in the United States of America for non-regulated companies. Both GAAP and FERC require the recording of regulatory assets and liabilities for certain transactions that would have been recorded as revenue and expense in non-regulated companies. Regulatory assets represent costs that will be included as a component of future tariff rates and regulatory liabilities represent amounts that have been collected in current rates to recover costs that are expected to be incurred, or refunded to customers, in future periods. On April 1, 2016, the Company purchased certain transmission assets from Tri-County Electric Cooperative, Inc. ("TCEC"), which are accounted for in accordance with ASC 980. Prior to the acquisition of the TCEC transmission assets on April 1, 2016, SCMCN did not own or operate any assets that should have been accounted for under the accounting guidance for regulated operations. When regulatory assets are probable of recovery through regulated rates, we will record them as assets on the balance sheet. Once a regulatory asset is recorded on the balance sheet, we will test for probability of recovery at each balance sheet date, considering the impact of any changes or events during the period. If the likelihood of future recovery of any regulatory asset becomes less than probable, we will write off that regulatory asset as a charge against income.

In October 2015, FERC approved a rate transmission rate incentive pursuant to Section 205 of the Federal Power Act ("FPA") that authorizes SCMCN to recover its prudently incurred, non-capitalized start-up costs through a regulatory asset (the "Start-Up Regulatory Asset"). The Start-Up Regulatory Asset will include all of SCMCN's expenses to start up the business, including pre-commercial and formation costs. Amortization will be deferred until SCMCN has a total rate base of \$75.0 million. In a subsequent FPA 205 filing, SCMCN will seek Commission approval of the total estimated amount of such costs to be incurred in the regulatory asset and the period of recovery. Refer to additional discussion of the Start-Up Regulatory Asset in Note 5.

Cost Assignment

GridLiance LP, along with SCMCN and its affiliated entities, entered into a management services agreement (the "Management Service Agreement") with GridLiance Management, LLC ("ManageCo"), an entity that employs all of the executives and staff providing services to SCMCN. In connection with the Management Service Agreement, ManageCo pays all employee and most non-employee related costs for SCMCN and its affiliated entities. Both employee and non-employee costs incurred by ManageCo that are directly related to SCMCN's operations are directly assigned to it. SCMCN incurs direct costs that are incurred directly for the benefit of the Company. The Company also incurs indirect costs, which are those costs that GridLiance LP incurs for which no direct beneficiary is identifiable. Indirect costs are assigned to SCMCN based on GridLiance LP's "Direct Charge" allocation methodology. GridLiance LP calculates the percentage of each of its subsidiaries' direct costs compared to the total direct costs incurred for the relevant period, and allocates indirect costs to each subsidiary based on the calculated percentage. The Company filed the cost allocation methodology with FERC on February 9, 2017, (Docket ER17-953). In October 2017, the filing was accepted by the Commission for informational purposes.

Cash and Cash Equivalents

We consider investments that are highly liquid and have maturities of three months or less when purchased to be cash equivalents. Pursuant to the Management Service Agreement, ManageCo pays all employee and most non-employee related costs for SCMCN and its affiliated entities. Therefore, significant cash balances are held at ManageCo.

Utility Plant

Utility plant in service is stated at original cost when first devoted to utility service. Additions, major replacements and betterments are added to the property accounts at cost. Under the group composite method of depreciation, continuous interim routine replacements of items such as poles, transformers, etc., result in original cost retirements, cost of retirement, less salvage, being charged to accumulated depreciation. Any difference between the net book value of the assets and the value realized at retirement (salvage proceeds less removal and disposal costs) are embedded in accumulated depreciation and are considered in the determination of prospective

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NOTES TO FINANCIAL STATEMENTS (Continued)			

depreciation rates. As a result, generally gains and losses are not recorded in the retirement of utility plant. The provision for depreciation of utility plant assets is a significant component of the Company's cost of service under FERC-approved rates. Depreciation rates include estimates for future removal costs and salvage value. As part of our initial FPA 205 filing with the Commission, we have committed to completing a depreciation study of our facilities based on our experience with the SPP within five years. We capitalize an allowance for other funds used during construction ("AFUDC") in accordance with FERC regulations to account 107 (Construction work in progress – electric), with the income/(expense) recorded to accounts 419.1 (Allowance for other funds used during construction) and 432 (Allowance for borrowed funds used during construction—Credit).

Impairment of Long-Lived Assets

Long-lived assets are required to be reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. An impairment is indicated if the carrying amount of a long-lived asset exceeds the sum of the undiscounted future cash flows expected to result from the use and eventual disposition of the asset. If an impairment is indicated, we record an impairment loss equal to the difference between the carrying value and the fair value of the long-lived asset. No impairment was recorded during the years ended December 31, 2017 and 2016.

Contingencies

We are subject to a number of federal and state laws and regulations, as well as other factors and conditions that potentially subject us to environmental, litigation, and other risks. We reserve for contingencies when our assessments indicate that it is probable that a liability has been incurred or an asset will not be recovered, and an amount can be estimated reasonably. We expense legal fees as incurred and base our legal liability estimates on currently available facts and our estimates of the ultimate outcome or resolution.

Revenue Accounting

SCMCN recognizes revenue from the transmission of electricity based on the FERC-approved cost-based formula rate template. Under the formula rate template, the Company recovers certain allowable expenses and earns a return on, and recovers investments in, plant, property, and equipment. The formula rate template includes a true-up provision whereby the Company compares its actual revenue requirements to the billed revenues for each year to determine any over- or under- collection of revenue. The over- or under-collection of revenue, including interest, is either refunded or collected within a two-year period through a subsequent year's formula rate template. Refer to Note 4 "Rate Matters and Regulation" for further information regarding our revenue accounting under our cost-based formula rate templates. For the years ended December 31, 2017 and 2016, the Company generated all of its revenue from one customer, TCEC.

Income Taxes

SCMCN is a limited liability company that is wholly owned by a tax partnership. As a result, SCMCN is not liable for federal or state income taxes. The income tax effect of SCMCN's activities flows directly to the partners of GridLiance LP. The partners report their respective shares of SCMCN's earnings, gains, losses, deductions, and tax credits on their respective federal and state income tax returns.

SCMCN is allowed, however, to recover in rates, as a component of its cost of service, an allowance for income taxes and is required to adjust its rate base by the amount of plant related accumulated deferred income taxes it would have recorded if it were a taxable corporation. As such, SCMCN has included a provision for federal and state income taxes and deferred taxes in its statement of income, balance sheet and statement of cash flows in this report.

The income tax expense included in this report is derived using the asset and liability method as prescribed by the accounting guidance ASC 740 for Income Taxes. Under this method, deferred income taxes have been recorded using currently enacted tax rates for the differences between the taxable members' share of tax basis of SCMCN's assets and liabilities and the basis of such assets and liabilities reported in the financial statements. Refer to Note 8 for additional discussion on income taxes and tax reform.

Subsequent Events

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The Company has evaluated subsequent events from the balance sheet date through April 18, 2018, the date at which the financial statements were available to be issued.

Recent Accounting Pronouncements

The following new authoritative accounting guidance issued by the Financial Accounting Standards Board (“FASB”) has not yet been adopted and reflected by the Company in its financial statements. The Company has assessed other FASB issuances of new standards which are not listed below given the current expectation such standards will not significantly impact the Company's financial reporting.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows (Topic 230),” to increase comparability among organizations by clarifying the classification of certain cash receipts and cash payments on the statement of cash flows where diversity in practice has been identified. ASU 2016-15 is effective for interim periods with fiscal years beginning after December 15, 2019 for nonpublic entities. We do not believe ASU 2016-15 will have a material impact on our financial statements.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842),” to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. Currently the Company does not recognize operating leases on its statement of financial position, but the new guidance will require us to recognize operating leases on the statement of financial position if the contract meets the new definition of an operating lease. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019 for nonpublic entities. Companies are required to apply a modified retrospective method of adoption. We are currently evaluating the potential impact of ASU 2016-02 on our financial statements.

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606).” ASU 2014-09 creates a comprehensive framework for the recognition of revenue using a “control method”. ASU 2014-09 requires an entity to (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract(s), (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract(s), and (v) recognize revenue when, or as, the entity satisfies a performance obligation. ASU 2014-09 is based on a “control method”, whereas the Company’s current revenue recognition policy is based on the “risk & rewards model”, whereby revenue is recognized when it meets the following four criteria in accordance with Staff Accounting Bulletin (“SAB”) No. 104: (i) persuasive evidence of an arrangement exists, (ii) the price is fixed or determinable, (iii) delivery has occurred or services have been rendered, and (iv) collectability is reasonably assured. In August 2015, FASB delayed the effective date of ASU 2014-09 for one year. ASU 2014-09 is effective beginning on January 1, 2019 for nonpublic entities. All of our revenue is generated from providing wholesale distribution service to TCEC based on a tariff rate, as approved by FERC, and is considered to be in the scope of the new guidance. The true-up mechanisms under our formula rate is considered to be an alternative revenue program of rate regulated utilities and is outside the scope of the new guidance, as it is not considered contracts with customers. Based on our assessment of the new guidance, we do not expect the implementation of the new standard to have a material impact on the amount and timing of revenue recognition. Companies have the option to implement the new guidance using the “full retrospective” or “modified retrospective” transition method. We expect to adopt the guidance using the modified retrospective approach. We have elected not to early adopt.

Note 3. Tri-County Acquisition

On April 1, 2016, SCMCN completed its acquisition of the TCEC electric transmission assets, which consists of approximately 410 miles of 69 and 115 kilovolts (“kV”) transmission lines and the related substation infrastructure (the “Tri-County Assets”), for approximately \$27.5 million. Beginning on April 1, 2016 the Company assumed full operational responsibility of the Tri-County Assets, including meeting federal, state, and regional compliance requirements. The closing also made effective a long-term Co-Development Agreement between SCMCN and TCEC, under which SCMCN will represent TCEC and its members’ interests in planning and developing new transmission projects within SPP.

The Commission previously determined that the Tri-County Assets were not functionally “Transmission Facilities” under the Commission’s seven-factor test and did not qualify for inclusion in the SPP-grid under Attachment AI of the SPP Open-Access Transmission Tariff (“OATT”).

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Note 4. Rate Matters and Regulation

Formula Rate Filings

In October 2015, in Docket No. ER15-2594-000, FERC accepted, subject to condition, SCMCN's proposed transmission formula rate template and implementing protocols to be used in calculating SCMCN's ATRR once SCMCN became a transmission-owning member of SPP. In that docket, the Commission also accepted SCMCN's proposed base return on equity ("ROE") of 10.08%, suspended it for a nominal period, to be effective November 2, 2015, subject to refund, and set it for hearing and settlement judge procedures. Additionally, the Commission approved a 50-basis points ROE adder for SCMCN's participation in a RTO and approved SCMCN's use of a hypothetical capital structure of 60% equity and 40% debt subject to a compliance filing to adopt SCMCN's actual capital structure, and provided that SCMCN's actual capital structure will be capped at 60% equity once the first assets are placed in service.

In February 2016, in Docket No. ER16-505-000, FERC accepted, subject to condition and outcome of proceedings in Docket No. ER15-2594-000, SCMCN's proposed wholesale distribution formula rate template, implementing protocols and related agreements ("WDS formula rate") with TCEC governing rates, terms, and conditions of SCMCN's provision of wholesale distribution service to TCEC. SCMCN's WDS formula rate became effective on April 1, 2016, the date SCMCN consummated the acquisition of certain transmission facilities from TCEC.

In October 2016, SCMCN filed a settlement in Docket No. ER15-2594-000 which memorialized the parties' resolution of certain issues related to the ROE component of SCMCN's transmission formula rate. Under the terms of the settlement SCMCN agreed to apply a base ROE of 9.8% to the calculation of its ATRR and further agreed that its total ROE, inclusive of all incentives and other adders, would not exceed 10.8%. Pursuant to the settlement, the ROE that will initially apply to any SCMCN transmission assets that are placed under SPP's functional control will be 10.3%, which reflects the 9.8% base ROE and the 50-basis points RTO participation adder that was previously approved by the Commission in Docket No. ER15-2594-000. In January 2017, the Commission approved the settlement. SCMCN submitted a compliance filing in Docket No. ER16-505-000 in February 2017, which SCMCN amended in March 2017, incorporating the FERC-approved base ROE of 9.8% into the WDS formula rate.

Additionally, in February 2017, SCMCN submitted proposed revisions to its wholesale distribution affiliate cost allocation methodology in Docket No. ER17-953-000. The Commission accepted the proposed revisions in October 2017, subject to SCMCN making additional compliance filings in Docket Nos. ER17-953-000 and ER15-2594-003, and instituted a proceeding in Docket No. EL18-16-000, pursuant to Section 206 of the FPA, to determine whether provisions in SCMCN's protocols that attempt to define the scope of future FPA Section 205 proceedings are inappropriate.

In November 2017, SCMCN submitted compliance filings related to its WDS formula rate and transmission formula rate templates and protocols in response to an order issued by the Commission in October 2017 in Docket Nos. ER15-2594-003 and ER17-953-000. The October 2017 orders identified several revisions to the formula rate templates and protocols, which SCMCN addressed in the compliance filings. Additionally, the order required SCMCN to include a fixed income tax rate component in its WDS and transmission formula rate templates. In November 2017, SCMCN submitted a request for rehearing of the Commission's order requiring a fixed income tax rate component. The November 2017 compliance filings are currently pending Commission approval.

In December 2017, SCMCN submitted a limited FPA 205 filing, for limited revisions to its WDS and transmission formula rate templates. The limited revisions are needed to (i) comply with Internal Revenue Service ("IRS") guidance on the treatment of Accumulated Deferred Income Tax ("ADIT") pursuant to Section 1.167(l)-1(h)(6)(ii) of the IRS Code, and (ii) utilize SCMCN's actual cost of long term debt rather than a hypothetical rate in calculating SCMCN's revenue requirement. In February 2018, FERC issued notices that the revisions SCMCN filed in December 2017, to comply with IRS ADIT regulations, were deficient. SCMCN provided responses to the deficiency letters in March 2018, which are currently pending before the Commission.

Start-Up Regulatory Asset

In 2015, pursuant to Docket No. ER15-2594, the Commission authorized SCMCN to create a regulatory asset for all of its prudently incurred, non-capitalized costs to start up its business, including pre-commercial and formation costs, and defer recovery until SCMCN

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has a total rate base of \$75.0 million. Refer to Note 5 for additional information regarding the Start-Up Regulatory Asset.

Formula Rate Templates and True-Up Provision

The projected revenue requirement for the transmission of electricity by the Company is calculated prior to the beginning of each year (the "Rate Year") using the FERC-approved formula rate template. Under the formula rate template, SCMCN recovers certain allowable expenses and earns a return on, and recovers investments in, plant, property, and equipment. The revenue requirement is billed to and collected from the Company's customers ratably over the Rate Year. Subsequent to the Rate Year, the Company calculates the actual revenue requirement and compares it to the expected revenue requirement as billed to its customers. Any over- or under- collection of revenue is deferred or accrued as a regulatory liability or regulatory asset, respectively. The true-up ensures that the Company has recognized the appropriate revenue over the reporting period, and that the over- or under- collection of revenue is either subsequently refunded to or collected from its customers. The amount of deferred or accrued revenue is reflected in future revenue requirements and thus impacts billing to customers within a two-year period.

The change in the regulatory asset associated with SCMCN's formula rate revenue accrual was as follows for the year ended December 31, 2017 (in thousands):

Regulatory asset at December 31, 2016	\$ 110
Revenue accrual for the year ended December 31, 2017	2,800
Regulatory asset at December 31, 2017	<u>\$ 2,910</u>

Note 5. Regulatory Assets and Liabilities

The Company's regulatory asset and liability balance as of the dates presented is shown below (in thousands):

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Regulatory asset:		
Start-Up Regulatory Asset	\$ 27,187	\$ 18,729
Revenue accrual	2,910	110
Deferred income tax	913	14
Total regulatory asset	<u>\$ 31,010</u>	<u>\$ 18,853</u>
	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Regulatory liability:		
Deferred income tax	\$ (1,588)	\$ —
Total regulatory liability	<u>\$ (1,588)</u>	<u>\$ —</u>

Start-up Regulatory Asset

In Docket No. ER15-2594, the Commission authorized SCMCN to create a regulatory asset for all of its prudently incurred, non-capitalized costs to start up its business, including pre-commercial and formation costs, and defer recovery until SCMCN has a total rate base of \$75.0 million. On April 1, 2016, the date that the Tri-County Assets were acquired from TCEC, SCMCN determined that recovery of the Start-Up Regulatory Asset was probable of recovery and therefore recorded the initial Start-Up Regulatory Asset on its balance sheet. When the Company recorded the Start-Up Regulatory Asset on April 1, 2016, we capitalized \$13.3 million of start-up costs that were incurred from the Company's inception through March 31, 2016 by debiting FERC account 182.3 (Other Regulatory Assets) and crediting the same account that would have been charged if included in income when incurred. This resulted in a net credit balance of \$13.0 million in the Company's Operating Expenses for the year ended December 31, 2016, as reported on the Statement of Income on FERC Form 1 Page 114. As of December 31, 2017 and 2016, SCMCN has recorded a Start-Up Regulatory

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Asset in the amount of \$27.2 million and \$18.7 million, respectively associated with all of its expenses to start up the business, including pre-commercial and formation costs. As approved by the Commission, SCMCN will accrue carrying costs in the Start-Up Regulatory Asset account at its weighted average cost of capital rate on the unamortized regulatory asset balances, including the balance of deferred carrying costs. SCMCN received Commission approval to apply this carrying charge to any amounts tracked in the Start-Up Regulatory Asset account, effective November 2, 2015, and SCMCN committed to restricting the compounding of carrying charges to semi-annually. The total Start-Up Regulatory Asset recorded as of December 31, 2017 and 2016 (as shown above) includes carrying charges and applicable taxes of \$2.7 million and \$1.2 million, respectively.

Recovery of the Start-Up Regulatory Asset requires FERC authorization upon SCMCN making an additional filing under Section 205 of the Federal Power Act to demonstrate that the costs to be recovered are just and reasonable. Subsequent to FERC authorization, the Company will include the unamortized balance of the Start-Up Regulatory Asset in its rate base and will begin amortizing the regulatory asset at that time.

Revenue Accrual

At December 31, 2017 and 2016, a regulatory asset balance in the amount of \$2.9 million and \$109.9 thousand, respectively, including interest of \$192.3 thousand and \$6.8 thousand, respectively, was recorded to account for the under collection of revenue for the years ended December 31, 2017 and 2016, respectively.

Deferred Income Tax Regulatory Asset and Liability

The deferred tax regulatory asset is due to the tax-on-tax gross-up on adjustments in the amount of \$913.5 thousand at December 31, 2017, related to AFUDC equity and the after-tax regulatory asset carrying charge. The deferred tax related regulatory liability is primarily the result of the \$1.6 million revaluation of deferred taxes at December 31, 2017, at the reduced federal corporate tax rate (refer to Note 8 for further discussion of the corporate tax rate). The regulatory liability is expected to be refunded to customers over time following state regulatory approval.

Note 6. Supplemental Information to Statement of Cash Flow

Total payables included in accrued liabilities related to the procurement of services and equipment associated with the construction and/or removal of plant related activities such as transmission lines, substation upgrades and replacement of assets were \$1.6 million and \$1.0 million at December 31, 2017 and 2016, respectively. Accordingly, these noncash investing activities are not reported as cash outflows in the statement of cash flows until the period in which the payables are paid.

In accordance with FERC and accounting guidelines, deferred tax liabilities are recorded for certain noncash income items, such as allowance for funds used during construction and the regulatory asset impacts thereon. Accumulated deferred income tax liabilities for these noncash activities were \$688.1 thousand at December 31, 2017. For periods in which the Company has a net operating loss, the tax accruals are reported as a reduction to accumulated deferred income taxes on the balance sheet. In the first reporting period subsequent to year-end, the related accumulated deferred tax asset is cleared through other paid-in capital as a noncash transaction. The accumulated deferred taxes cleared through other paid-in capital was \$1.3 million for the year ended December 31, 2017.

Note 7. Commitments and Contingencies

The Company has executed construction contract commitments related to the build out of the Tri County Assets. At December 31, 2017, the Company had purchase obligations of \$2.5 million for the purchase of materials, services, and equipment that had not yet been received or paid for as of December 31, 2017. The Company expects to pay for the materials, services, and equipment for the construction contract commitments in 2018.

Maintenance Agreement

Upon closing of the Tri-County Assets on April 1, 2016, the Company and TCEC entered into a Maintenance Agreement, whereby TCEC will provide operation and maintenance services for the Tri-County Assets. The Company will reimburse all costs incurred by TCEC in exchange for these services. Under this agreement, the Company incurred approximately \$631.6 thousand and \$158.6

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thousand of costs for the years ended December 31, 2017 and 2016, respectively.

Litigation and Contingencies

Potential Legal Proceedings

The Company currently does not have any outstanding litigation matters or claims. However, in the future, the Company may become party to various litigation matters and claims that arise in the normal course of operations.

Insurance and Potential Losses

Transmission assets may experience damage as a result of an accident or natural disaster. The Company maintains corporate insurance policies in addition to property insurance coverage normal and customary for an electric utility, subject to various deductibles. Insurance includes coverage for risks of physical loss or damage to Company property, subject to insurance policy conditions and exclusions. Covered property generally includes substations and facilities. Excluded property generally includes transmission lines, poles, and towers. However, there is no assurance that the insurance coverages we have will adequately protect us against liability from all potential consequences.

Note 8. Income Taxes

During the fourth quarter of 2017, the U.S. government enacted the Tax Cuts and Jobs Act (the "Tax Act"). Among its many provisions, the Tax Act reduces the federal corporate tax rate from 35% to 21%, effective January 1, 2018. For the year ended December 31, 2017, the change in tax law required SCMCN to revalue its existing net deferred tax liability using the lower rate in the period of enactment resulting in the recognition of an income tax benefit of \$192.8 thousand due to the remeasurement of an adjustment related to the regulatory asset carrying charge previously recorded in Q1 2017. As a result, the Company recognized overall income tax expense of \$877.2 thousand for the year ended December 31, 2017.

We are still in the process of evaluating the bonus depreciation carve-out for regulated utilities and we anticipate further clarification from the IRS, including tax depreciation elections for assets placed in service after September 27, 2017. We will continue to analyze the effects of the Tax Act on our financial statements and operations. Additional impacts from the enactment of the Tax Act will be recorded as they are identified.

As discussed in Note 2, the Company is allowed to recover in rates, as a component of its cost of service, the amount of income taxes that are the responsibility of its taxable members. The associated taxes accrued are treated as deemed contributions to the Company, whereas net operating loss carryovers are treated as deemed distributions. For purposes of determining the Company's revenue requirement under FERC-approved rates, rate base is reduced by an amount equivalent to taxable members' applicable net accumulated deferred income taxes. Total net accumulated deferred income taxes were approximately \$2.5 million and \$1.0 million in 2017 and 2016, respectively, and are primarily related to capitalized start-up costs, regulatory assets, and plant related timing differences. Deferred income taxes have been reported using the applicable effective tax rate allowed pursuant to the Company's formula rate, net of impact from tax exempt members.

On March 15, 2018, FERC issued a Revised Policy Statement on Treatment of Income Taxes ("Revised Policy") to no longer allow a Master Limited Partnership ("MLP") to recover an income tax allowance in its cost of service rates. The U.S. Court of Appeals for the District of Columbia in *United Airlines, Inc. v. FERC* ("United Airlines") ruled that FERC failed to demonstrate there was no double recovery of income tax costs when permitting an MLP to recover both an income tax allowance and a return on equity determined by the discounted cash flow methodology. The Revised Policy states that, while all partnerships and other pass-through entities seeking to recover an income tax allowance will need to address the double-recovery concern, the application of the *United Airlines* case to non-MLP partnerships will be addressed in subsequent proceedings.

The effective income tax rate from continuing operations varies from the U.S. Federal statutory rate principally due to the following:

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	Year Ended December 31, 2017	Year Ended December 31, 2016
U.S. Federal statutory rate	35.0%	35.0%
Increase (decrease) due to :		
State income taxes, net of Federal income tax benefit	3.8%	3.9%
Permanent and flow-through items	(12.2)%	(7.8)%
Discrete items	(3.7)%	—
Adjustment for tax exempt members	(6.2)%	—
	<u>16.7%</u>	<u>31.1%</u>

The tax effects of temporary differences between the tax basis of assets and liabilities and their financial reporting amounts and the tax credits and other items that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows (in thousands):

	December 31, 2017	December 31, 2016
Deferred tax liabilities:		
Regulatory	\$ (5,929)	\$ (5,868)
Plant basis differences	(1,753)	(346)
Other, Net	(9)	(13)
Total deferred tax liabilities	<u>\$ (7,691)</u>	<u>\$ (6,227)</u>
Deferred tax assets:		
Capitalized tax start-up costs	\$ 2,202	\$ 3,929
Deferred tax asset on excess deferred income taxes	67	—
Net operating loss	<u>2,935</u>	<u>1,308</u>
Total deferred tax assets	<u>\$ 5,204</u>	<u>\$ 5,237</u>
Net deferred tax asset / (liability)	<u>\$ (2,487)</u>	<u>\$ (990)</u>

ASC Topic 740, "Income Taxes," provides guidance on recognition thresholds and measurement of a tax position taken or expected to be taken in a tax return. This guidance applies to all entities, including pass-through entities such as the Company. The Company does not consider any of its tax positions to be uncertain and had no unrecognized tax benefits during the years ended December 31, 2017 and 2016.

Note 9. Related Party Transactions

Capital Contributions from Parent

As stated in Note 2, ManageCo pays for all employee and most non-employee costs related to SCMCN in accordance with the Management Service Agreement. Funding of costs results in an increase in equity in ManageCo by GridLiance LP, as a capital contribution, and payment of these costs by ManageCo results in a reduction in equity in ManageCo by GridLiance LP. In addition, because of the reduction in equity at ManageCo, where direct and indirect costs are charged to SCMCN and its sister companies and affiliates, equity is increased in Heartland and subsequently in SCMCN by Heartland. Equity in SCMCN decreases as cash balances are transferred to GridLiance LP, through Heartland, to pay its expenses. In the future, equity in SCMCN may decrease as cash balances are transferred through a dividend to GridLiance LP, through Heartland. During the years ended December 31, 2017 and

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2016, SCMCN received \$13.6 million and \$37.2 million, respectively, in capital contributions from GridLiance LP.

Common Use Assets

GridLiance LP has certain plant, property, and equipment, including leasehold improvements, office furniture and equipment, computer hardware and software, and prepaid expenses (together the “Common Use Assets”), that are held by ManageCo but are used by, or relate to the operation of, all of GridLiance LP’s subsidiaries. As the Common Use Assets are utilized by SCMCN, the Company is allocated a portion of the charges related to the Common Use Assets based on its relative percentage of direct costs. For the years ended December 31, 2017 and 2016, the Company incurred charges of \$431.4 thousand and \$176.6 thousand, respectively, related to the use of the Common Use Assets, including a charge for the use of capital.

Note 10. Subsequent Events

In March 2018, FERC approved SCMCN’s acquisition of certain transmission lines and related assets from the City of Nixa, Missouri (the “Nixa Assets”). On March 31, 2018, SCMCN completed its acquisition of the Nixa Assets, including a 10-mile, 69 kV transmission line between the City of Springfield and the Southwestern Power Administration, as well as four substations and related infrastructure, for approximately \$10.0 million.

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES	

[illegible]

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION. AMORTIZATION AND DEPLETION					
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.					
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)		Electric (c)	
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	38,121,769		38,121,769	
4	Property Under Capital Leases				
5	Plant Purchased or Sold				
6	Completed Construction not Classified	13,284,644		13,284,644	
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	51,406,413		51,406,413	
9	Leased to Others				
10	Held for Future Use				
11	Construction Work in Progress	3,354,120		3,354,120	
12	Acquisition Adjustments				
13	Total Utility Plant (8 thru 12)	54,760,533		54,760,533	
14	Accum Prov for Depr, Amort, & Depl	11,725,666		11,725,666	
15	Net Utility Plant (13 less 14)	43,034,867		43,034,867	
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	11,725,666		11,725,666	
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant				
22	Total In Service (18 thru 21)	11,725,666		11,725,666	
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	Total Leased to Others (24 & 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	Total Held for Future Use (28 & 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amort of Plant Acquisition Adj				
33	Total Accum Prov (equals 14) (22,26,30,31,32)	11,725,666		11,725,666	

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent. 2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.					
Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)		
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)				
2	Fabrication				
3	Nuclear Materials				
4	Allowance for Funds Used during Construction				
5	(Other Overhead Construction Costs, provide details in footnote)				
6	SUBTOTAL (Total 2 thru 5)				
7	Nuclear Fuel Materials and Assemblies				
8	In Stock (120.2)				
9	In Reactor (120.3)				
10	SUBTOTAL (Total 8 & 9)				
11	Spent Nuclear Fuel (120.4)				
12	Nuclear Fuel Under Capital Leases (120.6)				
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)				
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)				
15	Estimated net Salvage Value of Nuclear Materials in line 9				
16	Estimated net Salvage Value of Nuclear Materials in line 11				
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing				
18	Nuclear Materials held for Sale (157)				
19	Uranium				
20	Plutonium				
21	Other (provide details in footnote):				
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)				

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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
Changes during Year				Balance End of Year (f)	Line No.
Amortization (d)	Other Reductions (Explain in a footnote) (e)				
					1
					2
					3
					4
					5
					6
					7
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					11
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					22

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

- Report below the original cost of electric plant in service according to the prescribed accounts.
- In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)		
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)		
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights		
38	(341) Structures and Improvements		
39	(342) Fuel Holders, Products, and Accessories		
40	(343) Prime Movers		
41	(344) Generators		
42	(345) Accessory Electric Equipment		
43	(346) Misc. Power Plant Equipment		
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)		
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)		

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)		
47	3. TRANSMISSION PLANT				
48	(350) Land and Land Rights				
49	(352) Structures and Improvements				
50	(353) Station Equipment				
51	(354) Towers and Fixtures				
52	(355) Poles and Fixtures				
53	(356) Overhead Conductors and Devices				
54	(357) Underground Conduit				
55	(358) Underground Conductors and Devices				
56	(359) Roads and Trails				
57	(359.1) Asset Retirement Costs for Transmission Plant				
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)				
59	4. DISTRIBUTION PLANT				
60	(360) Land and Land Rights	74,285			
61	(361) Structures and Improvements	5,017,290			
62	(362) Station Equipment	13,200,428	10,335,904		
63	(363) Storage Battery Equipment				
64	(364) Poles, Towers, and Fixtures	11,883,420	1,762,882		
65	(365) Overhead Conductors and Devices	9,105,074	110,912		
66	(366) Underground Conduit				
67	(367) Underground Conductors and Devices				
68	(368) Line Transformers				
69	(369) Services				
70	(370) Meters				
71	(371) Installations on Customer Premises				
72	(372) Leased Property on Customer Premises				
73	(373) Street Lighting and Signal Systems				
74	(374) Asset Retirement Costs for Distribution Plant				
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	39,280,497	12,209,698		
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT				
77	(380) Land and Land Rights				
78	(381) Structures and Improvements				
79	(382) Computer Hardware				
80	(383) Computer Software				
81	(384) Communication Equipment				
82	(385) Miscellaneous Regional Transmission and Market Operation Plant				
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper				
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)				
85	6. GENERAL PLANT				
86	(389) Land and Land Rights				
87	(390) Structures and Improvements				
88	(391) Office Furniture and Equipment				
89	(392) Transportation Equipment				
90	(393) Stores Equipment				
91	(394) Tools, Shop and Garage Equipment				
92	(395) Laboratory Equipment				
93	(396) Power Operated Equipment				
94	(397) Communication Equipment				
95	(398) Miscellaneous Equipment				
96	SUBTOTAL (Enter Total of lines 86 thru 95)				
97	(399) Other Tangible Property				
98	(399.1) Asset Retirement Costs for General Plant				
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)				
100	TOTAL (Accounts 101 and 106)	39,280,497	12,209,698		
101	(102) Electric Plant Purchased (See Instr. 8)				
102	(Less) (102) Electric Plant Sold (See Instr. 8)				
103	(103) Experimental Plant Unclassified				
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	39,280,497	12,209,698		

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
					2
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					4
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Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017		Year/Period of Report End of 2017/Q4	
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)							
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.		
					47		
					48		
					49		
					50		
					51		
					52		
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					58		
					59		
			74,285		60		
			5,017,290		61		
6,825			23,529,507		62		
					63		
442			13,645,860		64		
76,515			9,139,471		65		
					66		
					67		
					68		
					69		
					70		
					71		
					72		
					73		
					74		
83,782			51,406,413		75		
					76		
					77		
					78		
					79		
					80		
					81		
					82		
					83		
					84		
					85		
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					90		
					91		
					92		
					93		
					94		
					95		
					96		
					97		
					98		
					99		
83,782			51,406,413		100		
					101		
					102		
					103		
83,782			51,406,413		104		

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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ELECTRIC PLANT LEASED TO OTHERS (Account 104)

Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1					
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46					
47	TOTAL				

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)					
1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.					
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.					
Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)	
1	Land and Rights:				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
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15					
16					
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21	Other Property:				
22					
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36					
37					
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46					
47	Total			0	

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107) 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts) 3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	Purch & Install 2-110 MVA XFRMs	2,194,441		
2	Tri-County Expansion Phase II	478,711		
3	April 2017 Wind Storm	271,453		
4	Tri-County Expansion - Phase I	235,887		
5	Other	173,628		
6				
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43	TOTAL	3,354,120		

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108) 1. Explain in a footnote any important adjustments during year. 2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property. 3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications. 4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.
--

Section A. Balances and Changes During Year					
Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	11,236,764	11,236,764		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	850,197	850,197		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	850,197	850,197		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	83,783	83,783		
13	Cost of Removal	277,512	277,512		
14	Salvage (Credit)				
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	361,295	361,295		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	11,725,666	11,725,666		
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production				
25	Transmission				
26	Distribution	11,725,666	11,725,666		
27	Regional Transmission and Market Operation				
28	General				
29	TOTAL (Enter Total of lines 20 thru 28)	11,725,666	11,725,666		

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.

2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)

(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.

(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.

3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1				
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3				
4				
5				
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7				
8				
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41				
42	Total Cost of Account 123.1 \$ 0		TOTAL	

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
				3
				4
				5
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				42

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of <u>2017/Q4</u>
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MATERIALS AND SUPPLIES				
1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material. 2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.				
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)			
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)			
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)			
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)			

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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Allowances (Accounts 158.1 and 158.2)

- Report below the particulars (details) called for concerning allowances.
- Report all acquisitions of allowances at cost.
- Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
- Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
- Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year		2018	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year				
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)				
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509				
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year				
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.

7. Report on Lines 8-14 the names of vendors/transfersors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).

8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.

9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.

10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2019		2020		Future Years		Totals		Line
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	No.
								1
								2
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Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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Allowances (Accounts 158.1 and 158.2)

- Report below the particulars (details) called for concerning allowances.
- Report all acquisitions of allowances at cost.
- Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
- Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
- Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year		2018	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year				
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)				
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509				
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year				
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.

7. Report on Lines 8-14 the names of vendors/transfersors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).

8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.

9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.

10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2019		2020		Future Years		Totals		Line
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	No.
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EXTRAORDINARY PROPERTY LOSSES (Account 182.1)							
Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
1							
2							
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19							
20	TOTAL						

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017		Year/Period of Report End of 2017/Q4	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)							
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
21							
22							
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48							
49	TOTAL						

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	Transmission Studies				
2					
3					
4					
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7					
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12					
13					
14					
15					
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20					
21	Generation Studies				
22	Saddlewood	12,229	561.7		
23	Generation Interconnection Study				
24					
25					
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Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

- Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
- For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Start-Up Regulatory Asset, Including	18,853,267	8,333,724			27,186,991
2	carrying charges (Docket ER15-2594)					
3						
4						
5	Deferred Income Taxes		913,462			913,462
6						
7	2016 Formula rate revenue accrual, including		109,887			109,887
8	interest (Docket ER16-505)					
9						
10	2017 Formula rate revenue accrual, including		2,799,965			2,799,965
11	interest (Docket ER16-505)					
12						
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44	TOTAL	18,853,267	12,157,038		0	31,010,305

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MISCELLANEOUS DEFERRED DEBITS (Account 186)

- Report below the particulars (details) called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a)
- Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Reliability risk management	138,310		561.5	31,315	106,995
2	(amortization period June 2016					
3	through May 2021)					
4						
5						
6						
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47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	138,310				106,995

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.

2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Tax Start-Up Costs	3,929,165	2,202,364
3	Net Operating Loss	1,307,963	2,934,801
4	Other		66,676
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	5,237,128	5,203,841
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	5,237,128	5,203,841

Notes

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1				
2				
3				
4				
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.

Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
						2
						3
						4
						5
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Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)					
Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change. (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation. (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related. (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related. (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.					
Line No.	Item (a)				Amount (b)
1	Other Paid-In Capital (Acct 211) - Capital contributions from				63,556,947
2	GridLiance Holdco, LP				
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40	TOTAL				63,556,947

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of <u>2017/Q4</u>
CAPITAL STOCK EXPENSE (Account 214)					
1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock. 2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.					
Line No.	Class and Series of Stock (a)				Balance at End of Year (b)
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21					
22	TOTAL				

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
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32			
33	TOTAL		

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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	4,381,044
2		
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	Income Tax Expense	877,202
11	Permanent Items	-1,661,591
12		
13		
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	Tax Depreciation in Excess of Book Depreciation	7,505,463
21	Regulatory	10,473,993
22	Tax Start-Up Costs	886,049
23	Plant Basis Differences	370,475
24	Prepaid Insurance	6,113
25		
26		
27	Federal Tax Net Income	-15,645,438
28	Show Computation of Tax:	
29	Statutory Federal Income Tax (at 35%)	-5,475,903
30	Net Operating Loss Carried Forward	5,475,903
31	Current Federal Tax Expense	
32		
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Property Tax:			634,370		
2	Oklahoma					
3						
4						
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41	TOTAL			634,370		

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
634,370						1
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						40
634,370						41

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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%						
6							
7							
8	TOTAL						
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
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46							
47							
48							

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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)					
Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION			Line No.
					1
					2
					3
					4
					5
					6
					7
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					45
					46
					47
					48

OTHER DEFERRED CREDITS (Account 253)

- Report below the particulars (details) called for concerning other deferred credits.
- For any deferred credit being amortized, show the period of amortization.
- Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
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41						
42						
43						
44						
45						
46						
47	TOTAL					

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ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other (provide details in footnote):			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other (provide details in footnote):			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of 8, 15 and 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
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							20
							21

NOTES (Continued)

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ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization					
2. For other (Specify),include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 282				
2	Electric	346,321	1,636,865	159,481	
3	Gas				
4					
5	TOTAL (Enter Total of lines 2 thru 4)	346,321	1,636,865	159,481	
6					
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru	346,321	1,636,865	159,481	
10	Classification of TOTAL				
11	Federal Income Tax	292,904	1,250,620	121,849	
12	State Income Tax	53,417	386,245	37,632	
13	Local Income Tax				

NOTES

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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
		254	137,897	182	66,856	1,752,664	2
							3
							4
			137,897		66,856	1,752,664	5
							6
							7
							8
			137,897		66,856	1,752,664	9
							10
			133,661		51,082	1,339,096	11
			4,236		15,776	413,570	12
							13

NOTES (Continued)

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Reg Asset-Start-Up Cost	5,828,362	1,439,509	
4	ASC 740 Reg Asset	5,519		
5	Prepaid Insurance	12,917	1,147	
6	Regulatory Asset - True-Up	34,196	525,223	
7	Reg Asset-Equity Carrying Chrg.			
8				
9	TOTAL Electric (Total of lines 3 thru 8)	5,880,994	1,965,879	
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18				
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	5,880,994	1,965,879	
20	Classification of TOTAL			
21	Federal Income Tax	4,973,900	1,501,999	
22	State Income Tax	907,094	463,880	
23	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
 4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
		254	2,511,176			4,756,695	3
		254	533	182	23,225	28,211	4
		254	5,138			8,926	5
		254	13,602			545,817	6
	192,823			182	791,430	598,607	7
							8
	192,823		2,530,449		814,655	5,938,256	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
	192,823		2,530,449		814,655	5,938,256	19
							20
	147,324		2,413,970		622,453	4,537,058	21
	45,500		116,479		192,202	1,401,197	22
							23

NOTES (Continued)

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OTHER REGULATORY LIABILITIES (Account 254)							
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Liabilities being amortized, show period of amortization.							
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)	
			Account Credited (c)	Amount (d)			
1	Excess Deferred Taxes				1,587,537	1,587,537	
2	(under ASC 740)						
3							
4							
5							
6							
7							
8							
9							
10							
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40							
41	TOTAL				1,587,537	1,587,537	

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ELECTRIC OPERATING REVENUES (Account 400)

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
- Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales		
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)		
5	Large (or Ind.) (See Instr. 4)		
6	(444) Public Street and Highway Lighting		
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers		
11	(447) Sales for Resale		
12	TOTAL Sales of Electricity		
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds		
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues		
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property		
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	3,722,378	2,791,783
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	3,722,378	2,791,783
27	TOTAL Electric Operating Revenues	3,722,378	2,791,783

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ELECTRIC OPERATING REVENUES (Account 400)					
6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)					
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.					
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.					
9. Include unmetered sales. Provide details of such Sales in a footnote.					
MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line	
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	No.	
				1	
				2	
				3	
				4	
				5	
				6	
				7	
				8	
				9	
				10	
				11	
				12	
				13	
				14	
Line 12, column (b) includes \$ 0 of unbilled revenues.					
Line 12, column (d) includes 0 MWH relating to unbilled revenues					

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South Central MCN LLC			
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 21 Column: c

These financial statements include the reporting period of April 1, 2016 through December 31, 2016, and therefore the balances in column c are only for the reporting period of April 1, 2016 through December 31, 2016.

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REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)
--

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
7					
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11					
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13					
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40					
41					
42					
43					
44					
45					
46	TOTAL				

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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	0	0	0	0	0.0000
42	Total Unbilled Rev.(See Instr. 6)	0	0	0	0	0.0000
43	TOTAL	0	0	0	0	0.0000

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SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
				0	0	0
				0	0	0
				0	0	0

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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
0	0	0	0	0	
0	0	0	0	0	

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)		Amount for Previous Year (c)	
1	1. POWER PRODUCTION EXPENSES				
2	A. Steam Power Generation				
3	Operation				
4	(500) Operation Supervision and Engineering				
5	(501) Fuel				
6	(502) Steam Expenses				
7	(503) Steam from Other Sources				
8	(Less) (504) Steam Transferred-Cr.				
9	(505) Electric Expenses				
10	(506) Miscellaneous Steam Power Expenses				
11	(507) Rents				
12	(509) Allowances				
13	TOTAL Operation (Enter Total of Lines 4 thru 12)				
14	Maintenance				
15	(510) Maintenance Supervision and Engineering				
16	(511) Maintenance of Structures				
17	(512) Maintenance of Boiler Plant				
18	(513) Maintenance of Electric Plant				
19	(514) Maintenance of Miscellaneous Steam Plant				
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)				
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)				
22	B. Nuclear Power Generation				
23	Operation				
24	(517) Operation Supervision and Engineering				
25	(518) Fuel				
26	(519) Coolants and Water				
27	(520) Steam Expenses				
28	(521) Steam from Other Sources				
29	(Less) (522) Steam Transferred-Cr.				
30	(523) Electric Expenses				
31	(524) Miscellaneous Nuclear Power Expenses				
32	(525) Rents				
33	TOTAL Operation (Enter Total of lines 24 thru 32)				
34	Maintenance				
35	(528) Maintenance Supervision and Engineering				
36	(529) Maintenance of Structures				
37	(530) Maintenance of Reactor Plant Equipment				
38	(531) Maintenance of Electric Plant				
39	(532) Maintenance of Miscellaneous Nuclear Plant				
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)				
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)				
42	C. Hydraulic Power Generation				
43	Operation				
44	(535) Operation Supervision and Engineering				
45	(536) Water for Power				
46	(537) Hydraulic Expenses				
47	(538) Electric Expenses				
48	(539) Miscellaneous Hydraulic Power Generation Expenses				
49	(540) Rents				
50	TOTAL Operation (Enter Total of Lines 44 thru 49)				
51	C. Hydraulic Power Generation (Continued)				
52	Maintenance				
53	(541) Maintenance Supervision and Engineering				
54	(542) Maintenance of Structures				
55	(543) Maintenance of Reservoirs, Dams, and Waterways				
56	(544) Maintenance of Electric Plant				
57	(545) Maintenance of Miscellaneous Hydraulic Plant				
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)				
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)				

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering		
63	(547) Fuel		
64	(548) Generation Expenses		
65	(549) Miscellaneous Other Power Generation Expenses		
66	(550) Rents		
67	TOTAL Operation (Enter Total of lines 62 thru 66)		
68	Maintenance		
69	(551) Maintenance Supervision and Engineering		
70	(552) Maintenance of Structures		
71	(553) Maintenance of Generating and Electric Plant		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)		
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)		
75	E. Other Power Supply Expenses		
76	(555) Purchased Power		
77	(556) System Control and Load Dispatching		
78	(557) Other Expenses		
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)		
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)		
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	6,619	
84			
85	(561.1) Load Dispatch-Reliability		
86	(561.2) Load Dispatch-Monitor and Operate Transmission System		
87	(561.3) Load Dispatch-Transmission Service and Scheduling		
88	(561.4) Scheduling, System Control and Dispatch Services		
89	(561.5) Reliability, Planning and Standards Development	54,424	-78,246
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies	12,229	
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses		
94	(563) Overhead Lines Expenses		
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others		
97	(566) Miscellaneous Transmission Expenses		
98	(567) Rents		
99	TOTAL Operation (Enter Total of lines 83 thru 98)	73,272	-78,246
100	Maintenance		
101	(568) Maintenance Supervision and Engineering		
102	(569) Maintenance of Structures		
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software	3,456	-386
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment		
108	(571) Maintenance of Overhead Lines		
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant		
111	TOTAL Maintenance (Total of lines 101 thru 110)	3,456	-386
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	76,728	-78,632

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
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FERC FORM NO. 1 (ED. 12-93) Page 322

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses		
169	(909) Informational and Instructional Expenses		
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)		
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses	439	
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	439	
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	204,988	-2,319,506
182	(921) Office Supplies and Expenses	52,372	-1,357,590
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	134,629	-9,047,750
185	(924) Property Insurance	180,846	125,662
186	(925) Injuries and Damages	790	-9,920
187	(926) Employee Pensions and Benefits	20,482	-174,651
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	121,915	-98,676
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	3,819	-36,862
192	(930.2) Miscellaneous General Expenses	2,683	-29,314
193	(931) Rents	13,565	-138,263
194	TOTAL Operation (Enter Total of lines 181 thru 193)	736,089	-13,086,870
195	Maintenance		
196	(935) Maintenance of General Plant		
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	736,089	-13,086,870
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	1,686,418	-12,920,432

Name of Respondent	This Report is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report 2017/Q4
South Central MCN LLC			
FOOTNOTE DATA			

Schedule Page: 320 Line No.: 181 Column: c

The Company incurred Administrative and General ("A&G") Expenses prior to April 1, 2016 that were capitalized into the Start-Up Regulatory Asset on April 1, 2016. The 2016 A&G Expense accounts with negative balances is equal to to the total amont of prior period A&G Expense reversed in the 2016 period and capitalized on April 1, 2016.

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Total					

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)

(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.

2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).

3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)

4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	TOTAL			

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.

6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.

7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			0	0	0	

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered. 10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively. 11. Footnote entries and provide explanations following all required data.			

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
0	0	0	0	

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
TRANSMISSION OF ELECTRICITY BY ISO/RTOs					
1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO. 2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a). 3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or “true-ups” for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes. 4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided. 5. In column (d) report the revenue amounts as shown on bills or vouchers. 6. Report in column (e) the total revenues distributed to the entity listed in column (a).					
Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")			
1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter. 2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported. 3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications. 4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service. 5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered. 6. Enter "TOTAL" in column (a) as the last line. 7. Footnote entries and provide explanations following all required data.			

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL							

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)					
Line No.	Description (a)				Amount (b)
1	Industry Association Dues				22,270
2	Nuclear Power Research Expenses				
3	Other Experimental and General Research Expenses				
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities				
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000				
6	Industry Conventions and Meetings				5,014
7	Director expense and various				12,234
8					
9					
10	Less: Capitalized Misc. General Expenses into				
11	Start-Up Regulatory Asset				-36,835
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				2,683

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of aquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).

2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.

3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges						
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant					
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant					
7	Transmission Plant					
8	Distribution Plant	850,197				850,197
9	Regional Transmission and Market Operation					
10	General Plant					
11	Common Plant-Electric					
12	TOTAL	850,197				850,197

B. Basis for Amortization Charges

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017		Year/Period of Report End of 2017/Q4	
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	361	5,017			1.54		
13	362	15,857			2.03		
14	364	12,086			2.15		
15	365	9,116			2.10		
16							
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Name of Respondent	This Report is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report 2017/Q4
South Central MCN LLC			
FOOTNOTE DATA			

Schedule Page: 336 Line No.: 12 Column: b

The Depreciable Plant Base is the average Depreciable Plant Base for the year-ended December 31, 2017.

REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Various FERC and state required filings		121,915	121,915	-230,235
2					
3					
4					
5					
6					
7					
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11					
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46	TOTAL		121,915	121,915	-230,235

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
	928	555,957	-434,042				1
							2
							3
							4
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							8
							9
							10
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		555,957	-434,042				46

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects.(Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).

2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

A. Electric R, D & D Performed Internally:

(1) Generation

a. hydroelectric

i. Recreation fish and wildlife

ii Other hydroelectric

b. Fossil-fuel steam

c. Internal combustion or gas turbine

d. Nuclear

e. Unconventional generation

f. Siting and heat rejection

(2) Transmission

a. Overhead

b. Underground

(3) Distribution

(4) Regional Transmission and Market Operation

(5) Environment (other than equipment)

(6) Other (Classify and include items in excess of \$50,000.)

(7) Total Cost Incurred

B. Electric, R, D & D Performed Externally:

(1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1		
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Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
 (3) Research Support to Nuclear Power Groups
 (4) Research Support to Others (Classify)
 (5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)

5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
					1
					2
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Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
48	Distribution				
49	Administrative and General				
50	TOTAL Maint. (Enter Total of lines 43 thru 49)				
51	Total Operation and Maintenance				
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)				
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,				
54	Other Gas Supply (Enter Total of lines 33 and 45)				
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru				
56	Transmission (Lines 35 and 47)				
57	Distribution (Lines 36 and 48)				
58	Customer Accounts (Line 37)				
59	Customer Service and Informational (Line 38)				
60	Sales (Line 39)				
61	Administrative and General (Lines 40 and 49)				
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)				
63	Other Utility Departments				
64	Operation and Maintenance				
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	3,359,697		3,359,697	
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant	422,206		422,206	
69	Gas Plant				
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)	422,206		422,206	
72	Plant Removal (By Utility Departments)				
73	Electric Plant	16,826		16,826	
74	Gas Plant				
75	Other (provide details in footnote):				
76	TOTAL Plant Removal (Total of lines 73 thru 75)	16,826		16,826	
77	Other Accounts (Specify, provide details in footnote):				
78					
79					
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					
95	TOTAL Other Accounts				
96	TOTAL SALARIES AND WAGES	3,798,729		3,798,729	

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

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AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				
3	Net Sales (Account 447)				
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
7					
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45					
46	TOTAL				

PURCHASES AND SALES OF ANCILLARY SERVICES	
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In columns for usage, report usage-related billing determinant and the unit of measure.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

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MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.

(2) Report on Column (b) by month the transmission system's peak load.

(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).

(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

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MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD

- (1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
- (2) Report on Column (b) by month the transmission system's peak load.
- (3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
- (5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM:

Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Imports into ISO/RTO	Exports from ISO/RTO	Through and Out Service	Network Service Usage	Point-to-Point Service Usage	Total Usage
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of <u>2017/Q4</u>
ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	
7	Other		27	Total Energy Losses	
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	
9	Net Generation (Enter Total of lines 3 through 8)				
10	Purchases				
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)				

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.

2. Report in column (b) by month the system's output in Megawatt hours for each month.

3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.

4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.

5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January				0	
30	February				0	
31	March				0	
32	April				0	
33	May				0	
34	June				0	
35	July				0	
36	August				0	
37	September				0	
38	October				0	
39	November				0	
40	December				0	
41	TOTAL					

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: (b)	Plant Name: (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear		
2	Type of Constr (Conventional, Outdoor, Boiler, etc)		
3	Year Originally Constructed		
4	Year Last Unit was Installed		
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)		
6	Net Peak Demand on Plant - MW (60 minutes)		
7	Plant Hours Connected to Load		
8	Net Continuous Plant Capability (Megawatts)		
9	When Not Limited by Condenser Water		
10	When Limited by Condenser Water		
11	Average Number of Employees		
12	Net Generation, Exclusive of Plant Use - KWh		
13	Cost of Plant: Land and Land Rights		
14	Structures and Improvements		
15	Equipment Costs		
16	Asset Retirement Costs		
17	Total Cost	0	0
18	Cost per KW of Installed Capacity (line 17/5) Including	0	0
19	Production Expenses: Oper, Supv, & Engr		
20	Fuel		
21	Coolants and Water (Nuclear Plants Only)		
22	Steam Expenses		
23	Steam From Other Sources		
24	Steam Transferred (Cr)		
25	Electric Expenses		
26	Misc Steam (or Nuclear) Power Expenses		
27	Rents		
28	Allowances		
29	Maintenance Supervision and Engineering		
30	Maintenance of Structures		
31	Maintenance of Boiler (or reactor) Plant		
32	Maintenance of Electric Plant		
33	Maintenance of Misc Steam (or Nuclear) Plant		
34	Total Production Expenses		
35	Expenses per Net KWh		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)		
38	Quantity (Units) of Fuel Burned		
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)		
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year		
41	Average Cost of Fuel per Unit Burned		
42	Average Cost of Fuel Burned per Million BTU		
43	Average Cost of Fuel Burned per KWh Net Gen		
44	Average BTU per KWh Net Generation		

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
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0	0	0	18
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Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017		Year/Period of Report End of 2017/Q4	
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)							
1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings) 2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number. 3. If net peak demand for 60 minutes is not available, give that which is available specifying period. 4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.							
Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: (b)	FERC Licensed Project No. 0 Plant Name: (c)				
1	Kind of Plant (Run-of-River or Storage)						
2	Plant Construction type (Conventional or Outdoor)						
3	Year Originally Constructed						
4	Year Last Unit was Installed						
5	Total installed cap (Gen name plate Rating in MW)	0.00	0.00				
6	Net Peak Demand on Plant-Megawatts (60 minutes)	0	0				
7	Plant Hours Connect to Load	0	0				
8	Net Plant Capability (in megawatts)						
9	(a) Under Most Favorable Oper Conditions	0	0				
10	(b) Under the Most Adverse Oper Conditions	0	0				
11	Average Number of Employees	0	0				
12	Net Generation, Exclusive of Plant Use - Kwh	0	0				
13	Cost of Plant						
14	Land and Land Rights	0	0				
15	Structures and Improvements	0	0				
16	Reservoirs, Dams, and Waterways	0	0				
17	Equipment Costs	0	0				
18	Roads, Railroads, and Bridges	0	0				
19	Asset Retirement Costs	0	0				
20	TOTAL cost (Total of 14 thru 19)	0	0				
21	Cost per KW of Installed Capacity (line 20 / 5)	0.0000	0.0000				
22	Production Expenses						
23	Operation Supervision and Engineering	0	0				
24	Water for Power	0	0				
25	Hydraulic Expenses	0	0				
26	Electric Expenses	0	0				
27	Misc Hydraulic Power Generation Expenses	0	0				
28	Rents	0	0				
29	Maintenance Supervision and Engineering	0	0				
30	Maintenance of Structures	0	0				
31	Maintenance of Reservoirs, Dams, and Waterways	0	0				
32	Maintenance of Electric Plant	0	0				
33	Maintenance of Misc Hydraulic Plant	0	0				
34	Total Production Expenses (total 23 thru 33)	0	0				
35	Expenses per net KWh	0.0000	0.0000				

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
			8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
			13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0.0000	0.0000	0.0000	21
			22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of <u>2017/Q4</u>
PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)					
1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings) 2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number. 3. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant. 5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."					
Line No.	Item (a)			FERC Licensed Project No. Plant Name: (b)	
1	Type of Plant Construction (Conventional or Outdoor)				
2	Year Originally Constructed				
3	Year Last Unit was Installed				
4	Total installed cap (Gen name plate Rating in MW)				
5	Net Peak Demand on Plant-Megawatts (60 minutes)				
6	Plant Hours Connect to Load While Generating				
7	Net Plant Capability (in megawatts)				
8	Average Number of Employees				
9	Generation, Exclusive of Plant Use - Kwh				
10	Energy Used for Pumping				
11	Net Output for Load (line 9 - line 10) - Kwh				
12	Cost of Plant				
13	Land and Land Rights				
14	Structures and Improvements				
15	Reservoirs, Dams, and Waterways				
16	Water Wheels, Turbines, and Generators				
17	Accessory Electric Equipment				
18	Miscellaneous Powerplant Equipment				
19	Roads, Railroads, and Bridges				
20	Asset Retirement Costs				
21	Total cost (total 13 thru 20)				
22	Cost per KW of installed cap (line 21 / 4)				
23	Production Expenses				
24	Operation Supervision and Engineering				
25	Water for Power				
26	Pumped Storage Expenses				
27	Electric Expenses				
28	Misc Pumped Storage Power generation Expenses				
29	Rents				
30	Maintenance Supervision and Engineering				
31	Maintenance of Structures				
32	Maintenance of Reservoirs, Dams, and Waterways				
33	Maintenance of Electric Plant				
34	Maintenance of Misc Pumped Storage Plant				
35	Production Exp Before Pumping Exp (24 thru 34)				
36	Pumping Expenses				
37	Total Production Exp (total 35 and 36)				
38	Expenses per KWh (line 37 / 9)				

Name of Respondent South Central MCN LLC		This Report Is: (1) ☒ An Original (2) ☐ A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of <u>2017/Q4</u>
PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)					
6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes. 7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.					
FERC Licensed Project No. Plant Name: (c)	FERC Licensed Project No. Plant Name: (d)	FERC Licensed Project No. Plant Name: (e)	Line No.		
			1		
			2		
			3		
			4		
			5		
			6		
			7		
			8		
			9		
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Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1						
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Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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GENERATING PLANT STATISTICS (Small Plants) (Continued)						
3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.						
Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
						2
						3
						4
						5
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Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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TRANSMISSION LINE STATISTICS			
1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage. 2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page. 3. Report data by individual lines for all voltages if so required by a State commission. 4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property. 5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line. 6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.			

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1								
2								
3								
4								
5								
6								
7								
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35								
36					TOTAL			

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
								2
								3
								4
								5
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Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of competed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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43							
44	TOTAL						

Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
									1
									2
									3
									4
									5
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Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.

2. Substations which serve only one industrial or street railway customer should not be listed below.

3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.

4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	COLE SUBSTATION (Beaver County, OK)	Trans. (U)	115.00	69.00	12.50
2	DOOLIN (THRASH) BREAKER STATION	Trans. (U)			
3	(Texas County, OK)				
4	EVA 69 Kv REGULATOR STATION	Trans. (U)			
5	(Texas County, OK)				
6	EVA EMERGENCY TIE SWITCH	Trans. (U)			
7	(Texas County, OK)				
8	HOOKEE (JEFFERSON) BREAKER STATION	Trans. (U)			
9	(Texas County, OK)				
10	HOVEY SUBSTATION (Texas County, OK)	Trans. (U)	115.00	69.00	12.50
11	PIRATE (BLADE) SUBSTATION	Trans. (U)			
12	(Cimarron County, OK)				
13	POWELL CORNER (Texas County, OK)	Trans. (U)	115.00	69.00	
14	SEABOARD (BOAR) (Texas County, OK)	Trans. (U)			
15	TEXAS COUNTY INTERCHANGE	Trans. (U)	115.00	69.00	
16	(Texas County, OK)				
17	THOMPSON SUBSTATION(Texas County, OK)	Trans. (U)			
18	WESTERN FARMERS EMERGENCY TIE	Trans. (U)			
19	(Beaver County, OK)				
20	WILDCAT (COUGAR) SUBSTATION	Trans. (U)			
21	(Cimarron County, OK)				
22					
23					
24					
25					
26					
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28					
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31					
32					
33					
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40					

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
50	1					1
						2
						3
						4
						5
						6
						7
						8
						9
110	1					10
						11
						12
40	1	1				13
						14
75	2					15
						16
						17
						18
						19
						20
						21
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Name of Respondent South Central MCN LLC	This Report Is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report End of 2017/Q4
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TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2	Reliability planning and standards development	GridLiance Management, LLC	561.5	266,096
3	Maintenance of overhead lines	GridLiance Management, LLC	593	350,363
4	Administrative and general salaries	GridLiance Management, LLC	920	3,514,017
5	Office supplies and expenses	GridLiance Management, LLC	921	740,173
6	Outside services	GridLiance Management, LLC	923	1,987,103
7	Employee benefis	GridLiance Management, LLC	926	387,118
8	Regulatory commission expenses	GridLiance Management, LLC	928	554,445
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Non-power Goods or Services Provided for Affiliate			
21				
22				
23				
24				
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Name of Respondent	This Report is: (1) ☒ An Original (2) ☐ A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2017	Year/Period of Report 2017/Q4
South Central MCN LLC			
FOOTNOTE DATA			

Schedule Page: 429 Line No.: 2 Column: d

GridLiance Management, LLC ("ManageCo") employs all of the executives and staff providing service to GridLiance LP and its subsidiaries. Furthermore, ManageCo provides on an as-needed basis corporate services, including but not limited to corporate oversight, human resources, records management, risk management, and payroll services at cost with limited exceptions that are provided in exchange for a fee.

The Company is allocated indirect costs from ManageCo based on the Company's "Direct Charge" cost allocation methodology. Refer to Note 2 on Page 123 for additional information regarding the Company's cost allocation methodology.

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