

**South Central MCN LLC (SCMCN)
2018 Annual Projected Rate
Response to Information Requests of
Sunflower Electric Power Corporation and
Mid- Kansas Electric Company, Inc.**

Request No.: SCMCN-1

Date of Discovery: 11/30/2017

Due Date: 12/21/17

Request: With respect to the Rate Base of approximately \$45.96 million in SCMCN's 2018 Annual Projected Rate, please provide the dollar amount of the Rate Base which is for recovery of amounts for the facilities purchased by SCMCN from Tri-County Electric Cooperative, Inc., as approved in Federal Energy Regulatory Commission ("FERC") Docket No. EC15-206.

Response: SCMCN declines to answer Request No. SCMCN-1 from Sunflower Electric Power Corporation and Mid-Kansas Electric Company, Inc. (collectively Non-Impacted Parties). SCMCN currently provides service solely to Tri-County Electric Cooperative, Inc. (TCEC) over facilities located entirely in Oklahoma pursuant to a Wholesale Distribution Service Agreement (WDSA), Wholesale Distribution Operating Agreement (WDOA), and wholesale distribution formula rate template and protocols accepted by FERC in Docket No. ER16-505-000.¹ SCMCN's wholesale distribution formula rate template and protocols govern SCMCN's development of its projected annual transmission revenue requirement (ATTR) prior to each rate year, subsequent true-up to actual data following the conclusion of each rate year, public posting of such information, and process for meeting with and exchanging information with "Interested Parties" with respect to such information. Interested Parties "includes, but is not limited to, customers taking Wholesale Distribution Service, state utility regulatory commissions, consumer advocacy agencies, and state attorneys general." Protocols, II.G.

SCMCN's wholesale distribution protocols require SCMCN to provide "the projected net revenue requirement" for the upcoming rate year to "the Wholesale Distribution Customer" (i.e., TCEC) and post such information on SCMCN's website. Protocols, II.C. In accordance therewith, on October 2, 2017, SCMCN posted its projection for the 2018 rate year on its parent company website and provided its projection to TCEC. SCMCN also provided the projection to the Oklahoma Corporation Commission and the Oklahoma Attorney General as well as to one of the Non-Impacted Parties, Sunflower Electric Power Corporation, at its request. Thereafter, also in accordance with its wholesale distribution protocols, SCMCN held a wholesale distribution projected rate meeting on October 31, 2017. Protocols, II.H. While the protocols limit attendance to Interested Parties, a representative for the Non-Impacted Parties asked to attend and SCMCN voluntarily agreed.

SCMCN's voluntarily agreement to share its 2018 wholesale distribution projection (publicly available on SCMCN's website) with the Non-Impacted Parties, and to allow the Non-Impacted Parties to participate in the wholesale distribution projected rate meeting for 2018, imposed *de minimus* incremental time

¹ FERC accepted SCMCN's wholesale distribution formula rate template and protocols subject to the outcome of Docket ER15-2594-000. *South Central MCN LLC*, 154 FERC ¶ 61,090 (2016). On October 19, 2017, FERC accepted certain compliance revisions to SCMCN's wholesale distribution formula rate template and protocols, *South Central MCN LLC*, 161 FERC ¶ 61,053 (2017)(October 19 Order). On November 20, 2017, SCMCN submitted further compliance and errata revisions to its wholesale distribution formula rate template and protocols, and also agreed, in an initial brief in Docket No. EL18-16-000, to make an additional revision to its wholesale distribution protocols if directed by FERC to do so in that docket.

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and costs on SCMCN. Email distribution of the projection to Sunflower was accomplished in a matter of minutes. While the representative of the Non-Impacted Parties who attended the wholesale distribution projected rate meeting did ask a few verbal questions, those questions extended the meeting time by, again, a matter of minutes (estimated at a mere 5-10 minutes).

The Non-Impacted Parties now, however, seek to engage SCMCN in answering written questions related to SCMCN's wholesale distribution projected rate for 2018. Not only is this a right not granted the Non-Impacted Parties under SCMCN's wholesale distribution protocols, *see* Protocols, III (permitting Interested Parties to engage in an information exchange procedure with SCMCN), SCMCN would begin incurring material time and costs to respond should SCMCN voluntarily agree to do so. As SCMCN's costs to provide wholesale distribution service to TCEC are borne solely by TCEC, it would be imprudent and inequitable for SCMCN to agree to engage in a discovery process with the Non-Impacted Parties that would increase those costs.

Moreover, it is clear the Non-Impacted parties are engaged in a fishing expedition that has no relation to SCMCN's projected wholesale distribution rate for 2018. A representative of Sunflower conceded in an email to SCMCN with the subject "South Central MCN LLC - 2018 Projected Revenue Requirement for Wholesale Distribution Service" as follows: "I don't think our interest primarily relates to wholesale distribution as much as transmission, but we would like to be included on service of any postings." *See*, Attachment A hereto. Nor does SCMCN agree that the Non-Impacted Parties somehow have an interest in SCMCN's wholesale distribution rate projection for 2018 because of some unidentified connection to "transmission." SCMCN currently does not plan to operate any facilities in the SPP zones where the Non-Impacted Parties are located.²

Finally, note that the Non-Impacted Parties have access to SCMCN's publicly available postings including its FERC Form 1 that provides substantial information on the inputs into SCMCN's wholesale distribution rate for TCEC.

Prepared by: N/A

Date of Response: December 21, 2017

² The TCEC facilities over which SCMCN provides wholesale distribution service, while outside of SPP, are physically located in the SPP zone for Southwestern Public Service Company (SPS). If FERC approves SCMCN's request to acquire facilities from the City of Nixa, Missouri, SPP has requested those facilities be placed in the transmission zone of the Southwestern Power Administration, or SPP Zone 10. The only other SPP zone to which the Nixa facilities are interconnected is that of the City Utilities of Springfield, Missouri, or SPP Zone 3. Neither of the Non-Impacted Parties has load in or otherwise bears zonal costs in any of these SPP zones.

**South Central MCN LLC (SCMCN)
2018 Annual Projected Rate
Response to Information Requests of
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Request No.: SCMCN-2

Date of Discovery: 11/30/2017

Due Date: 12/21/17

Request: With respect to the Rate Base of approximately \$45.96 million in SCMCN's 2018 Annual Projected Rate, please provide the following information on facilities or projects included, as applicable:

- a) The project or facility name, SPP Transmission Expansion Plan ("STEP") project number, Notice to Construct ("NTC") number(s), and/or other identifying information;
- b) The estimated cost of each project or facility;
- c) If any project or facility for which costs are included in the 2018 Rate Base was included in an SPP STEP, the category of the project (e.g., Transmission Service, Integrated Transmission Planning, High Priority, Interregional, Sponsored Upgrade, etc.);
- d) If any project or facility for which costs are included in the 2018 Rate Base was not included in the SPP STEP, please identify the project or facility with a description of what the project or facility is and why it is being built;
- e) The in-service date or expected in-service date for each project or facility; and
- f) Any other information which SCMCN believes will assist Sunflower and MKEC in making the determination described in Section III.A of SCMCN's formula rate protocols.

Response: SCMCN declines to answer Request No. SCMCN-2 from the Non-Impacted Parties. Please see response to SCMCN-1 incorporated here in full.

Prepared by: N/A

Date of Response: December 21, 2017

Janet Virga

From: Bergmeier, Ray <RBERGMEIER@sunflower.net>
Sent: Wednesday, October 4, 2017 10:44 AM
To: Beth Emery
Cc: Noman Williams; Sarah Galioto
Subject: RE: ** External Email ** FW: South Central MCN LLC - 2018 Projected Revenue Requirement for Wholesale Distribution Service

Hi, Beth.

Yes, we did ask to be on the formula rate distribution list. I don't think our interest primarily relates to wholesale distribution as much as transmission, but we would like to be included on service of any postings. You may include myself (rbergmeier@sunflower.net), Al (atamimi@sunflower.net), and Adrienne Clair (aclair@thompsoncoburn.com). Thanks.

Ray Bergmeier | Transmission Policy Affairs Director

Sunflower Electric Power Corporation | PO Box 1020, Hays, Kansas 67601-1020
785.623.3317 | RBergmeier@sunflower.net

From: Beth Emery [mailto:BEmerly@gridliance.com]
Sent: Tuesday, October 03, 2017 7:54 AM
To: Bergmeier, Ray <RBERGMEIER@sunflower.net>
Cc: Noman Williams <NWilliams@gridliance.com>; Sarah Galioto <SGalioto@gridliance.com>
Subject: ** External Email ** FW: South Central MCN LLC - 2018 Projected Revenue Requirement for Wholesale Distribution Service

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Ray – Noman and I recall someone at Sunflower asking to be included in the SCMCN formula rate distribution. This isn't an SPP rate, only wholesale distribution, but if you want to be include, let us know (again) who to add to the service list. I apologize for having to ask again.

N. Beth Emery
210-380-6599 mobile
512-213-6442 TX direct

From: Sara Momper
Sent: Monday, October 2, 2017 9:11 PM
To: Chris Giles <CGiles@tcec.coop>; dara.derryberry@oag.ok.gov; b.wreath@occemail.com; F.Mitchell@occemail.com
Cc: Beth Emery <BEmerly@gridliance.com>; Sarah Galioto <SGalioto@gridliance.com>; Tim Salvesen <TSalvesen@gridliance.com>
Subject: South Central MCN LLC - 2018 Projected Revenue Requirement for Wholesale Distribution Service

Pursuant to the South Central MCN LLC (SCMCN) formula rate protocols for wholesale distribution service, you are hereby provided with SCMCN's projected wholesale distribution service revenue requirement for the 2018 rate year. These materials will be posted to www.gridliance.com/regulatory. An open meeting will be held no later than

October 31, 2017, during which SCMCN will explain its projected revenue requirement and interested parties will have an opportunity to seek information and clarification related thereto.

Thank you,

Sara Momper

Manager, Reporting & Technical Accounting

2 North LaSalle Street, Suite 420

Chicago, IL 60602

312.283.5240 (Direct)

smomper@gridliance.com

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A  Company