

**BEFORE THE  
CORPORATION COMMISSION OF THE STATE OF OKLAHOMA**

JOINT APPLICATION OF CENTERPOINT ENERGY )  
RESOURCES CORP., SOUTHERN COL MIDCO, LLC, )  
AND SUMMIT UTILITIES OKLAHOMA, INC. FOR )  
TRANSFER OF JURISDICTIONAL UTILITY ASSETS )  
AND CUSTOMER ACCOUNTS PURSUANT TO )  
OAC 165:45-3-5 )

Cause No. PUD 202100114

**FILED**  
JUN 24 2021

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

DIRECT TESTIMONY  
OF  
FRED KIRKWOOD  
CHIEF CUSTOMER OFFICER  
ON BEHALF OF  
SUMMIT UTILITIES OKLAHOMA, INC.

**JUNE 24, 2021**

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1 **I. INTRODUCTION AND BACKGROUND**

2 **Q. STATE YOUR NAME AND BUSINESS ADDRESS**

3 A. My name is Fred Kirkwood. My business address is 115 N. 12<sup>th</sup> Street, Fort Smith,  
4 Arkansas.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by Summit Utilities, Inc. (“Summit”) as Chief Customer Officer. In this  
7 capacity, I am responsible for overseeing all customer service activities of Summit and its  
8 subsidiaries. This includes oversight of all employees involved in call center and billing  
9 operations. I also manage a team of customer development representatives in Arkansas  
10 and Oklahoma who work with customers daily on the efficient use of natural gas. In  
11 addition, I oversee Summit’s IT functions, including IT support and systems and cyber  
12 security.

13 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

14 A. I am testifying on behalf of Joint Applicant Summit Utilities Oklahoma, Inc. (“SUO”).

15 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND BUSINESS  
16 BACKGROUND.**

17 A. I obtained a Bachelor of Business Administration Degree in Business Management from  
18 Central State University in Oklahoma in 1983. I have more than 30 years of experience  
19 working with residential and commercial customers in the natural gas industry. I began  
20 my career at the Arkansas Oklahoma Gas Corporation (“AOG”) in 1986 as a Customer  
21 Development Representative. During my time at AOG I have also developed energy  
22 efficiency programs and the company’s compressed natural gas vehicle program for the  
23 company’s operations fleet and commercial filling stations. Following the acquisition of

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1 AOG by Summit, I was actively engaged in the integration efforts. My role at Summit is  
2 now national in scope as I oversee the customer service operations for the entire platform.

3 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

4 A. Yes. I testified in support of AOG’s Application for Approval of Special Contract to  
5 Provide Natural Gas Utility Service to U.S. Lime Company in Cause No. PUD  
6 201800121.

7 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

8 A. My testimony highlights Summit’s proven ability to provide outstanding customer  
9 service to its current and future customers in Oklahoma. I also explain Summit’s  
10 experience in developing and implementing energy efficiency programs. My  
11 testimony demonstrates why SUO is well situated to ensure consistent customer service  
12 and should therefore be granted permission to acquire new assets and operate those  
13 assets to serve customers as a public utility in Oklahoma.

14 **Q. WHAT APPROVALS ARE BEING SOUGHT BY SUO IN THIS CASE?**

15 A. SUO is seeking approval to acquire, through transfer, the Oklahoma assets of CenterPoint  
16 Energy Resources Corp. (“CERC”) and authorization to operate those assets as an  
17 Oklahoma public utility.

18 **II. SUMMIT’S EXPERIENCE AND PROGRAMS**

19 **Q. PLEASE DESCRIBE SUMMIT AND ITS MISSION AS IT RELATES TO**  
20 **CUSTOMER SERVICE AND SATISFACTION.**

21 A. Summit is committed to providing superior service to our customers that rivals the best in  
22 any industry, not just the utility business. Our customer service team is dedicated to  
23 making our customers’ lives better in every state Summit serves. We strive to give

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1 customers direct access to knowledgeable representatives who efficiently and accurately  
2 resolve customer inquiries the first time.

3 **Q. PLEASE DESCRIBE HOW SUMMIT MEASURES CUSTOMER SATISFACTION.**

4 A. Summit utilizes the Net Promoter Score System (“NPS”) which is a proven methodology  
5 for measuring customer loyalty through surveys that provide first-hand feedback.

6 **Q. WHAT IS SUMMIT’S NPS SCORE FOR THE YEAR 2020?**

7 A. Summit’s overall NPS score was 47 in 2020. The utility industry benchmark scores range  
8 from 5 to 41. The score of 47 places Summit well above the benchmark for the utilities  
9 industry. The individual company score for AOG was even higher, with a score of 59.

10 **Q. ARE THERE OTHER METRICS CAPTURED BY SUMMIT TO MEASURE**  
11 **CUSTOMER SATISFACTION?**

12 A. Yes. Summit tracks industry standard call center metrics including service level,  
13 abandoned call rate and average speed of answer.

14 **Q. HOW DOES SUMMIT’S CALL CENTER PERFORMANCE COMPARE TO**  
15 **INDUSTRY STANDARDS?**

16 A. The current industry standard for service level is 80% of all calls answered within 30  
17 seconds, an abandoned call rate of 5% and average speed of answer of 28 seconds. For the  
18 years 2018-2020, the Summit contact center achieved an average service level of 85% of  
19 all calls answered within 30 seconds, an abandoned call rate of 2% and average speed of  
20 answer of 17 seconds. These results are significantly better than industry standards.

21 **Q. PLEASE PROVIDE AN OVERVIEW OF THE CUSTOMER SERVICE AND**  
22 **BILLING OPERATIONS THAT WILL SUPPORT SUO’S OPERATIONS IN**  
23 **OKLAHOMA.**

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1 A. SUO will become a part of the Summit customer service operation under the same  
2 leadership as the other Summit-affiliated operating companies. This includes a well-  
3 trained call center and customer billing staff primarily based in Arkansas, led by  
4 management with an average tenure of 20 years.

5 **Q. WHAT CHALLENGES DOES SUO ANTICIPATE REGARDING CUSTOMER**  
6 **SERVICE AND BILLING OPERATIONS?**

7 A. CERC's customer service and billing operations (and staff) are located in Houston, Texas  
8 and will not be acquired in the Transaction. To ensure customer service and billing are  
9 uninterrupted, those services will be temporarily provided under a Transition Services  
10 Agreement, which is described in the testimony of Steven E. Birchfield, as Summit bolsters  
11 its existing customer service and billing operations to serve the expanded demand.

12 **Q. WILL SUMMIT ADD STAFFING IN CUSTOMER SERVICE AND BILLING TO**  
13 **MEET THE INCREASED DEMAND OF THIS ACQUISITION?**

14 A. Yes, we plan to add staff to our team. Summit currently provides customer service and  
15 billing operations for a combined customer base of approximately 105,000 using a team  
16 based in Fort Smith, Arkansas. This acquisition will add approximately 525,000 customers  
17 to Summit's customer base. To serve this customer base, Summit's strategy is to hire and  
18 onboard new staff to meet the increased customer demand. Summit will utilize existing  
19 experienced customer service and billing leadership to train the new staff and support daily  
20 operations to ensure that SUO is meeting the needs of its customers.

21 **Q. IN YOUR OPINION, WILL SUO BE SUCCESSFUL IN PROVIDING THE SAME**  
22 **OR SIMILAR CUSTOMER SERVICE AS CERC'S CUSTOMERS ARE**  
23 **CURRENTLY EXPERIENCING?**

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1 A. Yes, SUO will be successful in providing quality service to the customers served by the  
2 acquired assets. Summit will continue to identify ways in which we can improve and serve  
3 our customers. As evidenced through the AOG acquisition, Summit's leadership has the  
4 experience and history necessary to integrate multiple company operations and serve  
5 customers at or exceeding the level they currently receive and expect.

6 **Q. DO YOU BELIEVE SUO WILL BE ABLE TO EFFECTIVELY SERVE**  
7 **CUSTOMERS IN OKLAHOMA?**

8 A. Yes, SUO will be able to draw from the vast experience and expertise that other Summit-  
9 affiliated operating utilities have developed. AOG has been providing exemplary customer  
10 service for more than 75 years. In addition, Summit has invested in new technology and  
11 systems to better serve customers across its platform and SUO will benefit from the  
12 updated technology and systems as well. Summit will be well equipped and staffed to  
13 provide quality customer service to the additional 525,000 customers in Arkansas,  
14 Oklahoma, and Texas that Summit is adding to its portfolio.

15 **Q. IS SUO FAMILIAR WITH THE OKLAHOMA COMMISSION'S RULES?**

16 A. Yes, as mentioned above, one of SUO's affiliated companies, AOG, has already been  
17 serving customers in Oklahoma as a natural gas utility for more than 75 years. AOG and  
18 SUO will share leadership that is experienced and knowledgeable with all Oklahoma  
19 natural gas rules and regulations, including the Commission's Gas Service Utilities Rules  
20 and its Rules of Practice.

21 **Q. IS SUO PLANNING TO ADOPT CERC'S CURRENT TARIFFS?**

22 A. Yes, SUO proposes to adopt the existing tariffs.

1 **Q. ARE THERE CUSTOMER SERVICE BENEFITS ASSOCIATED WITH SUO**  
2 **CONTINUING TO OPERATE UNDER THE CURRENT TARIFFS?**

3 A. Yes. Changes to rates or to existing tariffs would create confusion and potentially customer  
4 dissatisfaction. Calls and complaints could spike in response to tariff revisions during the  
5 transition. By keeping the current tariffs in place, customer billing components and  
6 applications will be familiar and predictable, making the transition to SUO seamless and  
7 transparent for customers.

8 **Q. HOW DOES SUO PLAN TO CONTINUE OPERATIONS OF ENERGY**  
9 **EFFICIENCY IN OKLAHOMA?**

10 A. CERC currently employs six energy efficiency representatives that serve the Arkansas and  
11 Oklahoma region. It is anticipated that these six representatives will join the Summit team  
12 at the closing of the Transaction.

13 **Q. IS SUO FAMILIAR WITH ENERGY EFFICIENCY PROGRAMS IN**  
14 **OKLAHOMA?**

15 A. Yes. Though it received a waiver on the requirement to file energy efficiency programs in  
16 Oklahoma, pursuant to its Customer Retention Program, in 2015, AOG implemented its  
17 Oklahoma Weatherization Program and Equipment Rebate Program. Both energy  
18 efficiency programs have been successful in Oklahoma.

19 **Q. HOW DOES SUO PLAN TO PURSUE BUSINESS DEVELOPMENT ON THE**  
20 **ACQUIRED DISTRIBUTION SYSTEM?**

21 A. CERC currently employs 12 business development representatives that serve the Arkansas  
22 and Oklahoma region. It is anticipated that these 12 representatives will join the Summit  
23 team at the closing of the Transaction. Summit and AOG employees have a history of



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1 working with these representatives and have found that our goals and culture align.  
2 Together, SUO will continue to achieve the level of service that the customers served by  
3 these assets are accustomed to receiving.

4 **III. CONCLUSION**

5 **Q. DO YOU HAVE A RECOMMENDATION TO THIS COMMISSION?**

6 A. Yes. I urge the Commission to approve the Joint Application and the granting to SUO  
7 authority to operate the assets to be transferred as a public utility and find both  
8 approvals to be consistent with the public interest.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes.

**CERTIFICATE OF SERVICE**

I hereby certify that on the 24th day of June, 2021, a full, true, and correct copy of the above and foregoing instrument was served on the following persons by electronic mail to the following at the email addresses noted:

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