



# 2019 Corporate Responsibility Report



# Table of Contents

Mission & Values .....	2
Cultural Values .....	3
Service Territories .....	4
Commitment to Corporate Governance .....	6
Commitment to the Environment .....	8
Commitment to Community .....	12
Commitment to Safety .....	15
Commitment to People .....	18

# Mission & Values

## Our Mission

"Our mission is to deliver clean, safe, affordable and reliable energy solutions to our customers through exceptional service and a strong commitment to our communities."

## Values In Action | *Every day, we...*

### Put Safety First

We never compromise the safety of our colleagues, customers and/or communities

### Embrace Innovation

We have the passion to seek and embrace innovative ideas that drive us to our vision

### Focus on Customers

We honor our customers and communities by giving them the best of ourselves and by prioritizing their safety and satisfaction

### Are Accountable

We take ownership for our actions and the resulting impact we have on our customers, communities, and financial success

### Collaborate

We work as a team to effectively execute on our vision and deliver our goals

### Strive for Excellence

We deliver consistent results by taking a strategic and aligned approach

### Honor Diversity

We embrace the diversity of thought in finding optimal solutions for achieving our mission



# Cultural Values

At Summit, we are an entrepreneurial company with a commitment to community, innovation, accountability and excellence. Below are the core cultural values that shape what it means to be a Summit employee:



## Pioneering:

We have the passion to seek and embrace innovative ideas

## Excellence:

We deliver superior results by working as a team, embracing diversity of thought and taking ownership of our actions

## Agility:

We are driven by a culture of change and passion for continual growth. Through agility we are always ready to seize opportunity, adapt to a changing environment and embrace diversity

## Kindness:

We honor our customers, the communities we serve and each other by giving the best of ourselves and by prioritizing safety, excellence and satisfaction

## Safety:

We never compromise the safety of our colleagues, customers and/or communities

# Where are Summit's service territories?

## COLORADO

Customers: 22,000

T&D Main Line: 1,258 miles

## OKLAHOMA

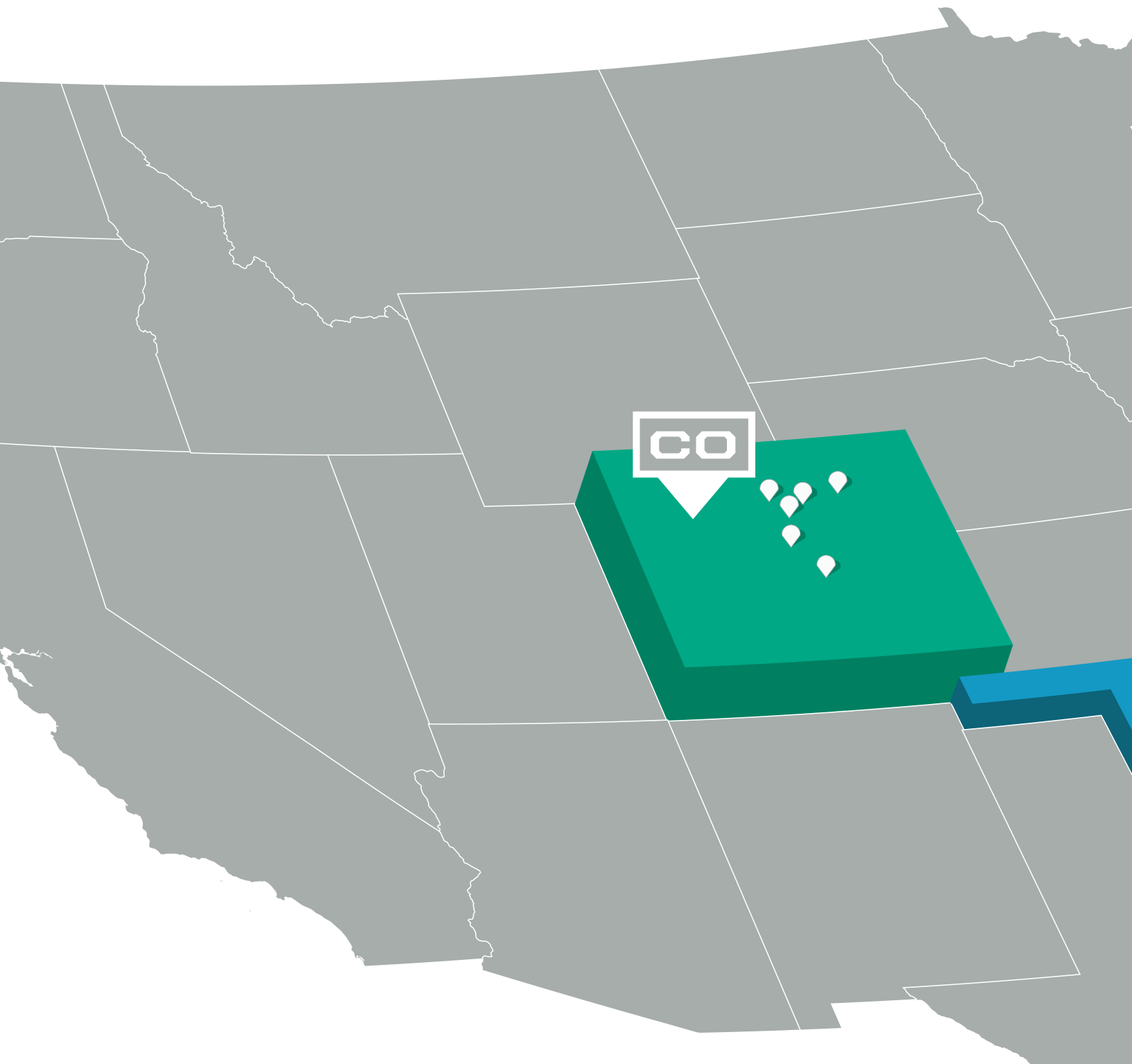
Customers: 12,600

T&D Main Line: 832 miles

## ARKANSAS

Customers: 45,600

T&D Main Line: 1,717 miles



## MISSOURI

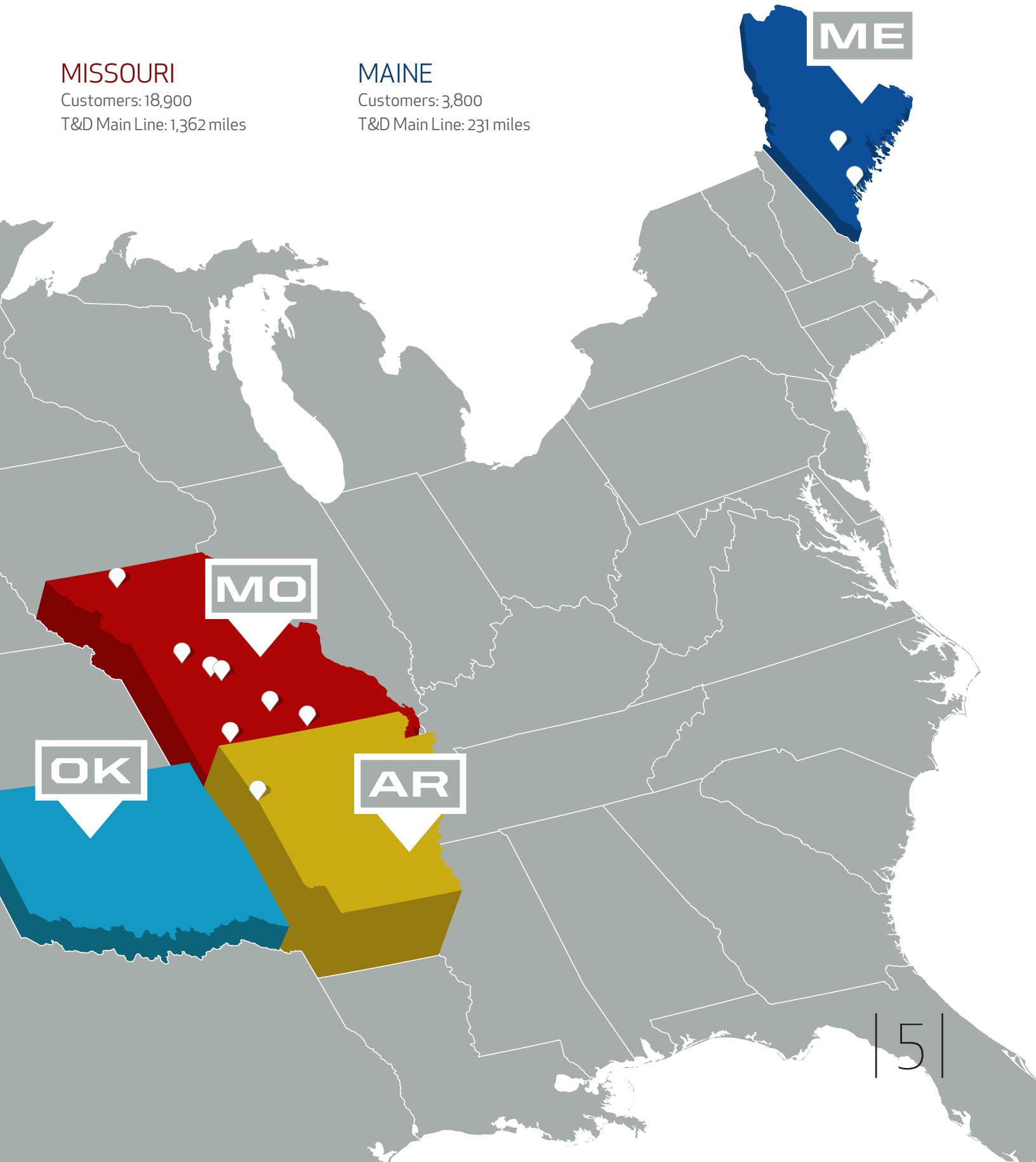
Customers: 18,900

T&D Main Line: 1,362 miles

## MAINE

Customers: 3,800

T&D Main Line: 231 miles



# Commitment to Corporate Governance

The company's board of directors and executive team believe effective governance is vital to managing the company for sustainable, long-term prosperity that benefits shareholders, employees and the communities it serves.



## Board of Directors

Summit is governed by a board of directors having seven members. All board members have a fiduciary responsibility to act in the best interests of the company and its shareholders. Our board members have experience across a wide range of industries and disciplines, including, utilities, power generation, finance, law, mining and asset management, as well as government regulation. The Board periodically reviews its membership to help ensure it will have diversity of thought, background and approach. Director biographies are featured on Summit's public website: [www.summitutilitiesinc.com](http://www.summitutilitiesinc.com).

Six of our seven directors are non-management members. The Board appoints and oversees the Chief Executive Officer and other officers who are charged with conducting the company's business. Non-management directors meet at each board meeting in executive session without management. Directors have full access to officers and employees of the company, as well as the company's external advisors and auditors.

Board members serve on five standing committees:

- Audit
- Compensation
- Corporate Governance
- Safety
- Strategic Planning

Each committee has adopted a formal charter that describes in detail its purpose, organizational structure and responsibilities.

## Code of Business Conduct and Ethics

All directors, officers and employees must adhere to a Code of Business Conduct and Ethics, which :

- emphasizes the company's commitment to ethics and compliance with the law;
- sets forth basic standards of ethical and legal behavior;
- provides reporting mechanisms for known or suspected ethical or legal violations; and
- helps prevent and detect wrongdoing.

Potential issues or concerns that could violate the Code are investigated and escalated to the Board, as appropriate. The Code clearly states the company's commitment that no retaliatory action will be permitted against anyone making a good faith report of known or suspected illegal or unethical behavior.

## Compliance Hotline

We provide a workplace where employees are encouraged to report concerns and ask questions without fear of retaliation. To promote this culture, we provide a confidential compliance hotline that is available 24 hours a day, seven days a week. The hotline is available to all employees and persons outside the organization to report known or suspected illegal or unethical behavior. The hotline is managed by an independent, third-party operator and all reports are promptly investigated. We promote awareness of the company's reporting system and non-retaliation policies through direct communications with employees, our corporate intranet and using displays in high-traffic work areas across the organization.

# Commitment to the Environment

As an energy provider, socially responsible business and good neighbor, we are committed to being a partner in building a sustainable energy future in the communities we serve. To help us reach that future, we continually look for ways to reduce our carbon and methane emissions and promote sustainable and efficient energy use.

## Energy Efficiency:

At Summit, we are committed to reducing carbon emissions and providing affordable energy solutions to our customers. One of the ways we do that is by investing in energy efficiency. Each year, we make significant investments in energy efficiency programs that directly benefit our customers. By helping our customers reduce their energy usage, we help them keep more money in their pockets, while reducing their carbon footprint.

Between 2012 and 2018, we spent more than \$18 million on our energy efficiency programs in Arkansas, Oklahoma, Colorado and Missouri, which resulted in a carbon avoidance of approximately 19,868 metric tons. According to the U.S. Environmental Protection Agency, that's equivalent to the total energy usage of nearly 2,400 homes.

In Maine, where oil is commonly used to heat homes and power industry, Summit has provided over \$3.0 million in energy efficiency rebates between 2013 and 2018 to convert residential, commercial and large industrial customers from oil to natural gas using high efficiency equipment. More than \$400,000 of that \$3.0 million was spent in 2018. Through these investments, Summit has been able to reduce carbon emissions by an estimated 69,000 metric tons a year. That's equivalent to taking 15,000 cars off the road.

## Recognized for Excellence:

In Oklahoma, Summit offers a Joint Weatherization Program in partnership with Oklahoma Gas & Electric. This energy efficiency program is designed for residential customers who own, rent, or lease their home. This program, which weatherizes single-family homes, duplexes, and town homes, was recently recognized by the American Council for an Energy-Efficient Economy as one of 53 exemplary energy efficiency programs in the country.



## Spotlight Story: Efficiency in Action

In 2018, Summit partnered with Southwestern Electric Power Company (SWEPCO) to help Mercy Hospital in Booneville, Arkansas increase its energy efficiency and reduce energy costs. By taking advantage of both utility company's energy efficiency programs, Mercy received more than \$120,000 in incentives. Because of the efforts and resources from Summit and SWEPCO, the hospital reduced its yearly natural gas usage by nearly one-third. They went from using 300 kbtu's per square foot a year to 209 kbtu's per square foot a year, resulting in \$62,000 of annual savings. The hospital now uses nearly 10 percent less energy than the average hospital of its size.





## Methane Reduction Initiatives:

At Summit, we are proud to be a leader in reducing methane emissions. Through our participation in several mitigation programs, along with our comprehensive pipeline replacement program in Arkansas and Oklahoma, as of 2017\*, Summit achieved a methane emissions intensity of just 0.292 percent.

*Our methane reduction initiatives include:*

- **Natural Gas STAR Methane Challenge:** Through our participation in the U.S. Environmental Protection Agency's voluntary Methane Challenge Program, we commit to transparently reporting our methane emissions and describing the systematic and comprehensive actions we are taking to reduce our methane emissions. This program makes our system safer, reduces operational risk and increases efficiency. Beyond that, we also share information and best practices with our peers across the country to further enhance methane mitigation efforts industry-wide. Our specific Methane Challenge commitments are to reduce emissions through excavation damage prevention and better transmission purge practices.
  - o **Excavation damage prevention:** As part of our commitment under the Methane Challenge Program, we have completed several new public outreach initiatives to reduce excavation damages. These initiatives included the distribution of a pipeline safety brochure to thousands of excavators across our service territories, a fully integrated and enhanced public awareness campaign, and a school outreach program.
  - o **Better transmission purge practices:** We are improving our operating procedures to limit the amount of natural gas released during planned transmission purges. The environmental impact of planned transmission purges will be minimized through flaring and/or methane capture.
- **ONE Future Coalition:** Summit is a member of the ONE Future Coalition, an organization made up of energy companies from across the natural gas supply chain that are committed to achieving a science-based average rate of methane emissions across facilities equivalent to one percent or less of total natural gas production. With company leaders on ONE Future's Board of Directors and other policy and technical committees, we work together to report emissions data, mitigation efforts and best practices with the goal of leading the industry to a sustainable path of lower emissions and more efficient operations. Through our mitigation efforts, for 2017\*, our methane emissions intensity was just 0.292 percent, beating ONE Future's goal of one percent by 2025. In addition, as a coalition, we were able to exceed our goal with a methane intensity record of 0.552 percent in 2017\*.
- **Pipeline Replacement:** To increase safety, reduce methane emissions, and enhance system efficiency, we are systematically replacing and upgrading aging pipe through a multi-year capital investment program. In 2018 alone, we replaced nearly 38 miles of aging pipe in Arkansas and Oklahoma. Through this effort, in 2018 we were able to avoid methane emissions equivalent to 745 metric tons of carbon dioxide and will continue to be able to further reduce our methane emissions and promote the ongoing safety and efficiency of our system as this project continues.



*\* 2017 data is the most recently available data.*





#### METHANE EMISSIONS AND MITIGATION FROM DISTRIBUTION MAINS

Number of Gas Distribution Customers	121,860
Distribution Mains in Service (miles)	5,043
Plastic (miles)	3,849
Cathodically Protected Steel - Bare & Coated (miles)	1,184
Unprotected Steel - Bare & Coated (miles)	10
Cast Iron / Wrought Iron - without upgrades (miles)	0
Plan/Commitment to Replace / Upgrade Remaining Miles of Distribution Mains (# years to complete)	9 years
Unprotected Steel (Bare & Coated) (# years to complete)	9 years
Cast Iron / Wrought Iron (# years to complete)	

#### DISTRIBUTION CO2E FUGITIVE EMISSIONS

CO2e Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	23,690
Natural Gas Throughput from Gas Distribution Operations in thousands of scf	187,688,599
CO2e Fugitive Methane Emissions Rate (metric tons per thousand scf of Throughput)	0.001267618

# Commitment to Community

At Summit, we take our responsibility of being a good corporate citizen seriously, which is why being a good friend, community member and neighbor is at the heart of what we do. In 2018, we are proud to have worked with and volunteered for many important organizations throughout all our service territories that are committed to building a stronger community and supporting future generations. In total, we invested more than \$100,000 in the community through charitable donations, community sponsorships and local memberships in addition to donating nearly 1,000 volunteer hours. Whether it's going above and beyond helping one of our customers with an issue, donating to a local charitable organization or volunteering with one of the many nonprofit organizations in our service territories, we understand that we are only as strong as the communities we serve. We look forward to continuing to be a strong partner for years to come and building on the successes of 2018.

## Volunteerism

Being a small natural gas utility that operates in rural communities throughout five states, Summit works hard to empower employees throughout the company to be good community members and neighbors by encouraging volunteerism and community engagement. To foster and promote volunteerism, Summit provides employees\* with 20 hours of paid time off to use for volunteering with non-profit organizations during work hours. In 2018, more than 30 percent of all eligible employees used volunteer time off. In total, Summit employees donated nearly 1,000 volunteer hours. Summit employees volunteered with local schools, youth camps, conservation organizations and many more nonprofit organizations that strengthen the communities the company serves.

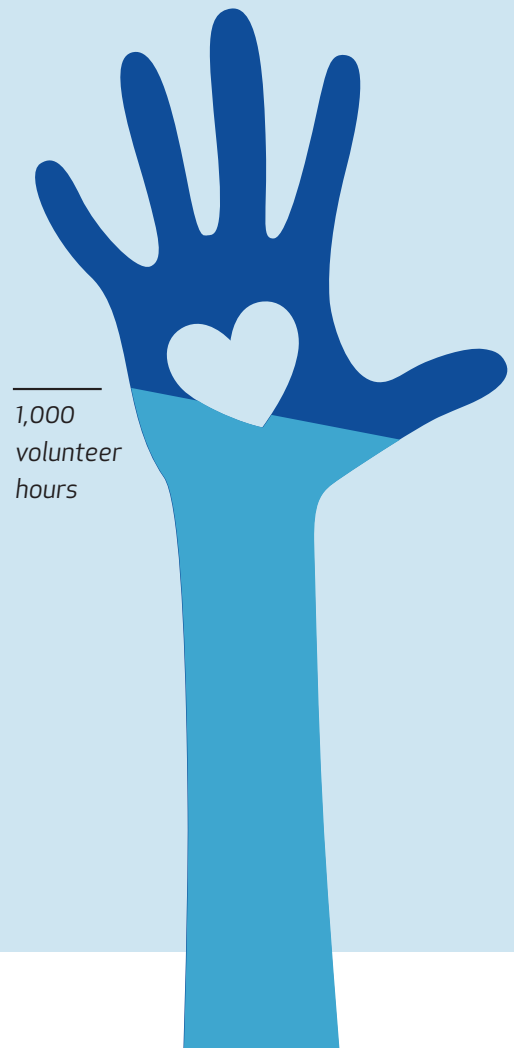
*\*Benefits for some positions in Arkansas and Oklahoma are governed by a Collective Bargaining Agreement and may differ from the benefits we provide to our other employees.*

### Volunteer Spotlight: Citizen of the Year

Each year, Summit has employees who truly go above and beyond in giving back to their community. Those employees are recognized with Summit's Citizen of the Year Award. In 2018, Chrisara Smith, who works as the Supervisor of Sales Support in our Augusta, Maine office, was one of the Citizen of the Year awardees because of her commitment to volunteerism and leadership in engaging the entire Maine team in causes that strengthen the communities the company serves.

While many employees throughout the company used all 20 hours of their volunteer time off, Chrisara went far beyond that. In collaboration with one of her colleagues, she organized a year-long bottle drive in the Maine offices to raise money for Cans for a Cure, a fundraiser that raises money for cancer research. The money raised was donated in honor of a member of the Summit family who recently passed away from cancer.

In addition, Chrisara spearheaded a coat, canned good, and mitten drive in Summit's Maine offices for Farrington Elementary School in Augusta, Maine. Farrington has been a customer of Summit's since 2013 and serves many low-income students. Because of Chrisara's hard work, Summit was able to donate more than 40 coats to Farrington Elementary School for children in need during the cold Maine winter.



1,000  
volunteer  
hours



## Charitable Giving

Because we want to be a good community partner and neighbor, each year we donate resources to worthy causes that maintain and improve the sense of community in the areas we serve. Whether it is providing funding for community events and services or offering funding to local organizations for community-building efforts, we are dedicated to our community. Below are some examples of our community giving programs:

- **United Way:** Each year, Summit partners with the United Way to raise money for charitable organizations throughout our communities. Employees help by being an advocate, giving, and volunteering with the United Way. Summit matches up to \$20,000 of employee contributions company-wide.
- **Charitable Giving Grants & Sponsorship:** In Maine, Missouri and Colorado, Summit gives more than \$1 per customer back to the communities it serves each year through the company's community giving grant programs and sponsorships. Sponsorships are provided on a rolling basis throughout the year. Grants are awarded once each year through the company's charitable grant program. Each spring, nonprofit organizations are encouraged to apply for grants for important community programs that focus on wellness, economic development, education, environment, and cultural initiatives. Applications are reviewed and grants are rewarded by a committee made up of employees who work locally in each state. In 2018, Summit awarded grants to more than 40 nonprofit and charitable organizations throughout its service territories.
- **Partners in Education:** Each year, Summit participates in The Partners in Education Program, which establishes mutually beneficial relationships between businesses and schools. Participating businesses and schools commit themselves to reciprocal activities that are based on their needs and resources. Summit's school partner is Carnall Elementary School in Fort Smith, Arkansas. In 2018, Summit sponsored events and programs with Carnall, including local field trips, providing support and funding for the Bring Up Grades Club, teacher appreciation events and volunteering in the school.



## Supporting Low Income Customers

Summit partners with state and federal agencies in the communities we serve to provide support to low income customers struggling to pay their bills. Each year we partner with the federal government to distribute funds made available through the Low-Income Home Energy Assistance Program (LIHEAP). In addition, in Colorado we provide additional support to low-income customers through our Customer Assistance Program. To qualify for the program, customers must already qualify for LIHEAP assistance. For the 2017-2018 heating season, we distributed more than \$100,000 to customers.



## Economic Impact

Playing a role in building strong and sustainable communities is central to our mission as a reliable and responsible energy provider. In addition to our community engagement and charitable giving, Summit drives value annually to the communities we serve through tax payments, providing good paying jobs with benefits and by purchasing goods and services for maintain our natural gas infrastructure.

2018 ECONOMIC IMPACT SUMMARY	
Employee Compensation (Wages & Benefits)*	46,000,000
Supplier Payments	39,100,000
Property Taxes	8,100,000
Sales & Use Tax**	6,400,000
City Franchise Fees***	3,300,000

\* Benefits include employer contributions for health and welfare benefits as well as 401(k) and retirement contributions.

\*\* Depending on state and local laws, we are required to collect sales tax from customers on taxable sales of goods and services. We also pay taxes on certain purchases made by Summit that have not been previously taxed by the vendor or service provider.

\*\*\* Payments made to local governments for use of public right-of-ways.



# Commitment to Safety

Summit places the highest priority on the safety of its customers, employees, contractors, communities, and pipelines throughout all areas we operate. We are proud of the company-wide effort to make “safety” a cultural norm at Summit.

Some of our safety efforts include:

- **Leading by Example:** At Summit, we understand that leadership starts at the top, which is why every member of our executive leadership team plays a critical role in developing a safety culture. This includes providing safety resources to members of their team, talking about safety to employees, participating in safety trainings throughout the year, stressing continuous improvement and doing field visits to reinforce safety.
- **Employee and Contractor Training:** We believe that to provide the best and safest services to our communities, workforce training must be a high priority. We use a multifaceted approach to train our workforce. By providing our employees the latest automated training technology, testing and face-to-face, subject matter expert-led training, we continually maintain and improve the safety and quality of our workforce.
- **Community Engagement:** Our employees make a considerable effort to educate customers and the public in general about the safe use of natural gas and associated natural gas facilities.
- **Employee Engagement:** Our employees and contractors alike are focused on safety and tasked with identifying potential hazards so that hazards can be avoided or mitigated. This disciplined approach not only enhances the safety of our employees and contractors, but it also enhances the safety and integrity of our pipeline system.
- **Compliance:** Summit is committed to complying with applicable pipeline and worker safety laws and regulations. We conduct robust internal auditing to monitor compliance with our policies, procedures and guidelines for employee safety and safe operations of our gas systems. Summit will continue to hold itself to the highest safety standards.



## Public Safety

Summit operates facilities in 46 counties throughout the country and endeavors to safely deliver its natural gas to customers, which benefits all stakeholders who live, work, and play around Summit's facilities. Our educational outreach programs are designed to identify those within the communities we serve that will benefit from learning how to recognize natural gas and potential hazards they may encounter. In addition to the safety programs that we sponsor within schools in our communities, our education initiatives extend to excavators regarding 811 and suitable excavation methods around utilities, as well as proper emergency service response when responding to a natural gas emergency.

Public education about the safe use of natural gas is a cornerstone of our outreach efforts. We provide many key educational resources to our stakeholders to help ensure customers and communities enjoy the benefits natural gas has to offer.

### *2018 Highlights:*

- In furtherance of our commitment to safely deliver natural gas, our employees participate on a wide variety of industry-specific committees. Some of the organizations Summit partnered with last year include the Arkansas Gas Association, American Gas Association, Southern Gas Association, Northeast Gas Association, Missouri Association of Natural Gas Operators and Colorado Pipeline Association.
- Summit trains and certifies certain employees through the National Association of Corrosion Engineers. This association is recognized globally as the premier authority for corrosion control solutions. The organization offers technical training and certification programs, conferences, industry standards, reports, publications, technical journals, government relations activities and more. It is focused on improving industry-wide business conditions, and advances knowledge through certification programs that promote public safety, protect the environment and reduce the economic impact of corrosion.
- Through its Public Awareness Program outreach, Summit employees partnered with several schools located in its service areas to educate school-aged children on the importance of safe activities associated with natural gas.
- We offer free training to all emergency service personnel operating in our service territories. Specifically, in 2018, we provided face-to-face training for over 700 public and emergency officials. Our Public Awareness Program and related messaging is intended for various stakeholders, including:
  - o Emergency Officials & First Responders
  - o Public Officials
  - o Affected Members of the Public
  - o Schools
  - o Excavators
  - o Customers

We communicate our public awareness program and related messaging via ads on television, radio, direct mail, presentations and school materials that educate the public about pipeline purpose, reliability, potential hazards and preventive measures. Additional topics include leak recognition and response, emergency preparedness and damage prevention, and 811 requirements.

Throughout 2018, we delivered approximately 400,000 direct mail pieces helping protect people, property and the environment through increased stakeholder awareness and knowledge.

## Workplace Safety

Summit is proud of its commitment to provide its employees a safe work environment by striving for zero accidents and injuries. High-quality workforce performance requires Summit employees to be pro-actively engaged in all aspects of not only their safety, but that of their co-workers, customers and the general public. Safety initiatives are designed to facilitate a holistic view of the work environment with a focus on identifying possible hazards employees may encounter. Training and technology resources are

instrumental for all Summit employees for the proper hazard recognition and response.

Summit drives its safety-based initiatives using a cultural perspective. We believe that all Summit employees and contractors have a voice and responsibility where safety is concerned. Employees and contractors are empowered with the authority to stop work when a possible safety issue presents itself. This collaborative effort helps to keep us all safe.

#### *2018 Safety Initiative Highlights:*

- Summit developed and implemented a near-miss entry program. This data collection program provides Summit employees and contractors the ability to document when they witness or encounter a “near-miss”. Near-miss awareness and evaluation helps us identify and possibly avoid or mitigate future hazards. The near-miss data helps us track and understand contributors that create these hazards, and develop processes or equipment to neutralize those contributors when necessary. In 2018, employees reported over 830 possible near-misses, which resulted in numerous follow-up actions toward improving the safety of our employees, customers, and the public in general.
- Summit launched a web-based application tool which provides its employees and contractors the ability to analyze potential hazards they may encounter when performing company-related activities. This job hazard analysis (JHA) tool also drives a process to identify mitigative solutions to these specific job-related hazards, which employees are expected to institute prior to performing the task. In 2018, over 2,000 of these comprehensive JHA’s were performed, identifying over 8,900 potential hazards to our workforce resulting in Summit implementing over 25,700 specific safety measures to promote the health and safety of those in or near our worksites.
- Summit’s comprehensive safety programs and its safety-minded employees are instrumental in the continued health and well-being of its employees and the public. Success in these areas is demonstrated by employee at-fault motor vehicle accident rates and personnel injuries rates being below industry averages in 2018. In fact, in 2017, employees in Summit’s Missouri and Colorado operations achieved a 0-0 rating, meaning zero recordable injuries and zero days away from work/restricted injuries. Their success is attributable to a commitment to incorporate safety into everything they do.

### Excellence in Action:

Summit was awarded an Accident Prevention Certificate for its 2018 safety record. “Accident Prevention Certificates” are awarded to American Gas Association member companies who achieved a DART Rate below industry average for their company type and size. DART refers to the number of recordable injuries that result in days away from work, restricted work activity or job transfer. The DART Rate represents the number of injuries per 100 full-time equivalent workers (working 40 hours per week, 50 weeks per year). In 2018, we had four DART injuries resulting in a DART Rate of 1.10. The industry average for “Medium Large” natural gas distribution companies was 1.71 in 2018.



## Quality Assurance

Summit strives to provide the highest quality service to its customers. A big part of this effort relies on our comprehensive internal auditing program, which is a collaborative, internal effort that is shared across multiple departments within the organization. In 2018, Summit employees participated in and/or conducted approximately 700 compliance audits and 106 environmental, health and safety audits. We believe that compliance with our own rules, regulations and protocols, and with applicable state, federal, and local rules, regulations and laws helps us achieve this high standard of service. Our compliance and comprehensive auditing efforts help our team to maintain a high standard of service and safety.



# Commitment to People

Being part of the Summit team means embracing excellence, diversity and innovation, committing to safety each and every day, and doing all we can to serve each other, our customers and the communities where we live. As a company, we know that diversity makes us stronger, which is why embracing difference, demanding engagement, and creating an environment for new and varying ideas is central to our core values and how we interact and communicate with each other in our day-to-day work. Summit is always pushing forward to create and foster a more inclusive work community where all team members feel not only accepted, but empowered to be who they are, create opportunities and own their ideas.

2018 WORKFORCE DEMOGRAPHICS	
Employees	380
Women in Workforce	24%
Women in Executive Leadership Positions	28%
Ethnic Diversity	12%
Veterans	6%
Represented by Unions	29%
Average Tenure	9 years
Voluntary Turnover Rate*	7%
Retirement Rate	1.6%

*\* Voluntary Turnover and Retirements*







## Compensation & Benefits

Summit offers competitive pay and benefits which provide flexibility, choice and support to our employees when they need it most. We understand that home and family are essential to our employees, and our benefits are designed to support them both at work and at home. Here is some of what we offer\*:

- Competitive pay, including pay-for-performance incentives
- Robust medical, dental and vision plans
- Employer contributions to Health Savings Accounts
- Company-paid life and disability coverage
- 401k retirement savings plan with a generous employer match and immediate vesting
- Flexible paid time off, including paid holidays, paid time off and floating holidays
- Volunteer time off
- Parental leave to all parents for the birth or adoption of a child
- Wellness program that encourages healthy living
- Education reimbursement to support growth and skill development
- Employee Assistance Program

*\* Benefits for some positions in Arkansas and Oklahoma are governed by a Collective Bargaining Agreement and may differ from the benefits we provide to our other employees.*





