

# Acquisition due diligence reduces EH&S risk for utilities company



A leading **US natural gas distribution company** had been acquired by a Canadian company to expand their portfolio. This company employs around 1,400 people, and is supported by 6,400 contractors.

The board of directors of the Canadian holding company wanted to assess their possible risk exposure related to environmental, health, and safety (EH&S) aspects. Although the holding company had internal auditors, they sought an independent third party, and engaged with Implementation Engineers (IE) to conduct a three week EH&S audit. By using a transparent and analytical assessment methodology, we were able to mitigate negative perceptions previously associated with EH&S audits at this client.

Implementation Engineers was asked to look at all aspects of EH&S, including implementation of regulations. To understand the system fully, IE expanded the scope to include observance of these EH&S regulations.

- APPROACH**
1. An assessment of the **regulatory compliance against OSHA requirements** was conducted, along with **field observations** related to the different business components, such as natural gas offloading, storage, gas meter installation/maintenance, pipeline safety, and below ground repair and new installations.
  2. Several key findings were identified:
    - **Non-compliance to OSHA regulations:** Eighteen regulations were in different maturity stages but not implemented.
    - **Incident reporting was problematic**, especially the required time to take corrective action and provide feedback to the field personnel.
  3. IE personnel performed statistical analysis on the incident data and found that newly hired personnel were more 'incident prone'. This was especially problematic with an increased rate of older personnel retiring. IE also **facilitated several client leadership meetings** in support of a **comprehensive approach map and implementation calendar**.
  4. IE personnel **engaged with client personnel (including contractors) at all levels of the organization**. This included field personnel, supervisors, union stewards, managers, directors, and senior leaders.

Validated baseline of performance

Identified 18 OSHA non-compliances, historic DART rates, and incident reporting deficiencies

Delivered an improvement program roadmap to close EH&S gaps

*Following the audit, the client had an independent assessment of their current EH&S organization, behavioral gaps, and inherent risks. Implementation Engineers delivered a granular improvement roadmap to close gaps and mitigate risks.*

