

# Electric Utility Company Environmental Compliance Audit Atlanta, Georgia

## INTRODUCTION AND BACKGROUND

Recently, Sierra Piedmont was retained to perform a comprehensive environmental compliance (EC) audit at an Atlanta-area electrical utility. **The Director of Loss Prevention (DLP) had recently assumed responsibility for his utility's EC and he wanted to better understand his EC situation.** In addition to better focusing his attention on needy areas, the DLP also wanted to avoid significant legal and regulatory exposure. He realized the complexity of the task and needed an effective starting point.

Explosive growth in environmental regulations since 1970 has made it extremely challenging for companies to stay in constant, full compliance with applicable environmental rules and regulations. Among the most challenging business sectors for compliance are utility companies. With a multitude of oil-filled electrical distribution equipment to manage and maintain, coupled with a significant fleet of service vehicles, electrical utilities in particular face significant EC challenges.

These challenges are further exacerbated by personnel turnover which results in loss of compliance continuity within the organization. When corporate knowledge leaves, remaining employees must quickly address information gaps.

## PROBLEM STATEMENT

**How does someone quickly get their arms around their company's EC status?** One way is to audit the company's facility in order to obtain a concise understanding of the following:

- **EC gaps:** Areas where the utility company could potentially be out of compliance with applicable federal, state or local requirements such as underground storage tanks
- **Gap closers:** Cost effective approaches to addressing EC gaps
- **Strengths and weaknesses:** Where to focus the utility company's precious resources
- **Management practices:** Recommendations that would improve his company's EC performance, ensuring a sustainable approach



The four items above were designed to help the DLP minimize potential impacts on human health and the environment and reduce his company's legal and regulatory exposure.

## STRATEGY

To address the client's concerns about his company's EC, Sierra created a four step process:

- Pre-visit questionnaire
- Pre-visit research
- Site visit
- Action oriented audit report

The first two steps were conducted before the site visit. During the site visit, the audit team was to use a checklist-driven approach, based on information obtained during pre-visit activities, to focus on areas posing the most significant EC risk to the client. In addition, Sierra made note of potential areas of concern not covered on the checklists.

The audit report, prepared after the site visit, would summarize items identified above, and would include a Corrective Action Plan which could be used by the DLP to address EC gaps.

## SOLUTION

Sierra prepared a customized Pre-Site Visit Questionnaire for the DLP and his team to fill out. The questionnaire was intended to accomplish the following:

- Provide insight into the different activities being performed at the company's main (headquarters) facility and their impact on EC
- Identify items requiring further investigation before the site visit
- Focus on areas of concern during the site visit

Following receipt and review of the completed questionnaire, Sierra followed up with the DLP to address minor questions and clarify several items in the questionnaire. Sierra also contacted local regulatory agencies to obtain information regarding permits, records of tanks and other EC-related information.

A final copy of the Environmental Compliance Audit report was delivered to the DLP within seven calendar days of the site visit. The report categorized gaps into: (1) observations, (2) findings (compliance gaps) and (3) recommended actions based on eight EC areas:

- PCB Management
- Spill Prevention, Control and Countermeasures
- Underground Storage Tank Management
- Hazardous Waste
- Universal Waste
- Used Oil
- Emergency Planning and Community-Right-to-Know Act
- Air