

Natural gas company processes savings from improved pipeline integrity.

USC Consulting Group - Getting the Right Chemical in the Right Place at the Right Time

Client:

A notable gas distribution company

Challenge:

The company needed help standardizing and improving their project management process. Although they would plan and execute projects, they could not manage the construction portion efficiently.

Process:

The company's engineers felt they lacked proper knowledge and experience to oversee finances and address inefficiencies. As a result, they were continually losing skilled workers. We outlined processes for construction work, organized sessions with groups of engineers and mapped workflows for training. Over the course of 16 weeks, our team worked closely with their management team, reviewing how young engineers did their work. We were then able to define new processes for official training documentation.

Over the course of the seven-month project, we focused on the following three areas:

1. Enhanced operational safety. Working together with the client, we established a training program and formalized the logging of field experience. We also required the logging of safety critical elements to ensure projects were being carried out as expected. As a result, the engineering department experienced improved accountability for the planning and field coordination of complex gas handling tasks.
2. Better financial management of transmission pipeline integrity and complex distribution projects. USC helped the company improve its project controls with its construction partners, even down to the foremen's timesheets. We also helped them develop more accurate cost tracking and forecasting, and were able to reduce costs related to maintenance.
3. Role clarity in the development and execution of capital projects. Together with their internal team, we focused on project planning and did a comprehensive rewrite of processes and procedures to train engineers and align departments.

Performance Results:

- An immediate improvement in its asset integrity management program
- Quicker onboarding of new staff
- Better management of high-risk activities
- Improved financial management of projects

Conclusion:

Our work together helped the company focus on safety, finance and project management. As a result, they were able to consistently deliver projects on time and on budget. Although some processes required time to mature, the company's asset integrity management program experienced an immediate positive impact.

Approximately \$17 million was spent on pipeline integrity in 2014, half of which was due to construction partner costs. After our work, these costs came in 10% under budget, thanks to crewing efficiencies and tighter financial control. Future financial improvements are expected once the benefits of front-end project planning materialize.

Motivated by improved role clarity, the staff gained a greater sense of confidence in completing the work. With better project management skills, engineers were able to train other technical experts and project managers. The company also enjoyed greater customer support, even earning an award for engineering work with heavy process flows.