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April 19, 2018

Mr. Raymond A. Boy

Assistant General Manager

National Fuel Gas Distribution Corporation

6363 Main Street

Williamsville, NY 14221-5887

Re: Focused Management and Operations Audit of National Fuel Gas Distribution Corporation (Docket No. D-2017-2584893)

Dear Mr. Boy:

 The Commission appreciates the cooperation extended by the officers and employees of National Fuel Gas Distribution Corporation (NFGDC) to our Bureau of Audits’ staff during the recent Focused Management and Operations Audit. We seek NFGDC’s further cooperation in implementing the recommendations cited in the audit report.

 As you know, the staff analyzed and evaluated management performance in 11 functional areas or issues during the course of the audit. Staff identified five areas as needing minor improvement and the remaining six areas as meeting expected performance levels. The minor improvement areas offer the greatest potential for increased effectiveness and/or reduced costs. Consequently, the Commission believes they should be the primary focus of the NFGDC’s implementation efforts.

 At its Public Meeting of April 19, 2018, the Commission acknowledged receipt of the NFGDC’s March 2018 Implementation Plan and released it, along with the audit report, to the public. The Commission notes that the NFGDC’s Implementation Plan indicates acceptance of all nine recommendations. Receipt of this Implementation Plan does not constitute acceptance by the Commission of the actions already taken, those actions to be taken, or any explanations and cost/benefit analyses provided. NFGDC’s implementation actions, together with the explanations and analyses, will be reviewed by the Commission at a later date.

Mr. Raymond A. Boy

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 Accordingly, the Commission directs the NFGDC to:

* Proceed with the March 2018 Implementation Plan, and
* Submit implementation progress reports annually, by May 1st, for the next three years.

The Commission’s direction to proceed with the Implementation Plan should not be construed as approval of the plan.

 Sincerely,

 Rosemary Chiavetta

 Secretary

RC/ch