

New York Utility in Faceoff With Cuomo Eyes Natural Gas by Truck

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(Bloomberg) -- The New York utility owner that's gone head-to-head with Governor Andrew Cuomo over a new natural gas pipeline has a backup plan for easing a winter supply crunch: Send the fuel by truck.

National Grid Plc customers in the Hamptons and other parts of Long Island may receive deliveries of compressed natural gas from Texas-based Thigpen Solutions LLC, which signed a contract to supply the heating fuel at peak demand periods when the weather gets cold enough, according to a filing last month. Thigpen would send two trucks an hour for as many as eight hours on specified days, Chief Executive Officer Sam Thigpen said. Cuomo and National Grid have been feuding since New York rejected a \$1 billion expansion to a Williams Cos. pipeline over environmental concerns. The utility owner and another company halted new gas hookups in some communities, saying service couldn't be offered safely without a new conduit. The clash escalated earlier this month when Cuomo ordered National Grid to begin providing the fuel immediately to 1,100 homes and businesses that had previously been denied.

"We continue to find solutions in the absence of Williams," John Bruckner, president of National Grid New York, said in a telephone interview. Though the utility owner has deployed CNG trucks for the past couple of years, it represents a small of total supply and shouldn't be considered a long-term solution to rising demand, he said.

"We do not want to have to depend on CNG stations for the normal course of business," Bruckner said. Gas supplied by truck would account for less than 2% of peak demand, according to National Grid.

Closely held Thigpen is still working out the best way to navigate New York traffic to make the deliveries, Sam Thigpen said Tuesday on the sidelines of the of the Gulf Coast Energy Forum in New Orleans. The gas will be sourced from New Jersey and possibly Pennsylvania, he said.

Though delivering gas by truck isn't the most economic way

to secure supply, “we don’t do this because we’re cheap,” but because not enough pipelines have been built to meet demand, Thigpen said during a panel at the forum.

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