

STATE OF NEW YORK

# Public Service Commission

Garry A. Brown, Chairman

Three Empire State Plaza, Albany, NY 12223  
Further Details: James Denn  
james\_denn@dps.state.ny.us | 518.474.7080  
<http://www.dps.state.ny.us>  
<http://twitter.com/NYSDPS>

11097/11-G-0348

## **NATURAL GAS VEHICLE PILOT PROGRAM APPROVED** — Unique Western New York Program Gets Green Light —

Albany, NY—11/17/11— The New York State Public Service Commission (Commission) today, in a move to spur the development of natural gas-powered vehicles in New York State and reduce the state’s reliance on imported gasoline, approved a National Fuel Gas Distribution Corporation partnership for natural gas vehicles pilot program.

The Commission opined that development and growth of natural gas-fueled vehicles can play an important role to improve the state’s energy profile, but the economics of these systems may be a barrier to acceptance. This unique pilot program in New York will help demonstrate the economic feasibility and evaluate the impact on the utility infrastructure of the natural gas-powered vehicles.

According to National Fuel, the development of natural gas vehicles (NGVs) would enhance the environment and national energy security, as well as benefit the commercial and industrial customers by reducing overall energy costs. Nationally, there are about 112,000 NGVs, mainly trucks. In the United States, about 30 different manufacturers produce 100 models of light, medium and heavy-duty natural gas vehicles and engines. Natural gas costs, on average, one-third less than conventional gasoline, and is produced domestically.

In its petition, National Fuel said that upfront costs to develop a customer-owned NGV project can be substantial. A customer’s refueling station can cost from \$100,000 to \$1.5 million depending on the type of station (fast fill or time fill) and the number of vehicles in the fleet. The

incremental cost of purchasing new NGVs vs. traditional gasoline or diesel vehicles can range from \$7,000 to \$22,000 per vehicle, depending on the type of vehicle. The program will provide a one-time credit for a refueling station and or the purchase of NGVs. The financial assistance would be recovered through the future sales paid by the customer.

National Fuel said the customer payback to switch to NGVs falls between four and eight years and says the development of the NGV program will make the project economics meet, or come closer to matching, customer expectations. The \$3.5 million program was developed by National Fuel, with input provided by truck fleet customers, to encourage the installation of NGV and/or associated facilities. The program will run through March 31, 2015.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.state.ny.us](http://www.dps.state.ny.us) and entering Case Number 11-G-0348 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).