

# Industry Pros Launch

## Alegacy Group > Goal is to create 'a legacy' based on innovation, technology

BY NORM SHADE



■ This Caterpillar 3306TA engine and Ariel JGQ-2/3 three-stage reciprocating compressor package is Alegacy's first unit. In the background, a Cummins KTA19GG gas engine and Ariel JGA-4/3 three-stage recip package is near completion.

**A** new company, Alegacy, entered the gas compressor packaging market late last year but it is anything but a novice in the business. In fact, owners Robert "Bo" Pierce and Bob Nickles together have more than 36 years of experience in natural gas compression manufacturing.

Pierce was founder, president, and

partner of SEC Energy Products and Services. SEC was started in 2003 and quickly grew to one of the largest compressor packagers in the industry. SEC was acquired by Energy Transfer in 2009. Pierce retired from the company in 2013. Prior to SEC, he was senior vice president of Hanover Compressor Co.

Nickles' career has centered on en-

ergy services, particularly natural gas compression, beginning with Nickles Machine as project engineer and progressing to president and CEO of Nickles Industrial. After the company was sold to Cameron International in 2001, he held vice president positions in sales and marketing and operations. Following Cameron, Nickles was an

*continued on page 80*

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■ A welder prepares a pipe spool for a new package being fabricated in Alegacy Equipment's plant.

initial equity investor and ultimately COO of Valerus Compression Services, leaving after Valerus was sold to TPG Capital in 2009. Most recently he has been CEO of Nickles Industries and a director of Fast Fusion LLC and Commercial State Bank.

Nickles and Pierce joined forces last year to launch Alegacy Group, which is the parent company of wholly owned subsidiaries: Alegacy Equipment, Alegacy Development and Alegacy CNG. Alegacy Equipment is starting primarily with fabrication and packaging of natural gas compression equipment, similar to other established packagers, but its vision is broader.

"We want to develop the package and the industry through innovation and improvement, not just be another packager," Pierce said. "We're doing this because we want to bring the current available technology that exists in our everyday lives into the compression industry. We want to focus on the needs of the industry."

He noted that package costs have about doubled over the last 10 to 15 years but rental rates are nearly the same. For example, he said that

a Caterpillar G3516 engine-driven compressor package costs more than US\$1 million whereas it used to be around US\$600,000. Meanwhile, rental rates remain about US\$16,000 to US\$20,000 per month.

"The compressor package design phase is typically segregated, not an optimized integrated solution," Nickles said. "We're looking for product development and significant innovations, drawing on technologies from outside the industry — out of the box — that will work. Initially, we are targeting innovations in cooling, pulsation, separation, compression and sensors. As we evolve, we'd like to have a marketable improvement every six months."

Nickles said one of Alegacy's visions is to make package design a complete 3-D solution, where the CAD model is also the bill of material. Working with IMAGE Custom Engineering Solutions to produce the next generation of engineered package solutions, Alegacy intends for package design to be an interactive solution that rivals a video game, and the data will be used throughout the business to avoid handoffs. Compressor operators will have

something like the computer module in new automobiles, which sends a text alert when tires need air or the engine needs oil. "We envision using wireless technology to eliminate wires and tubing," Nickles said.

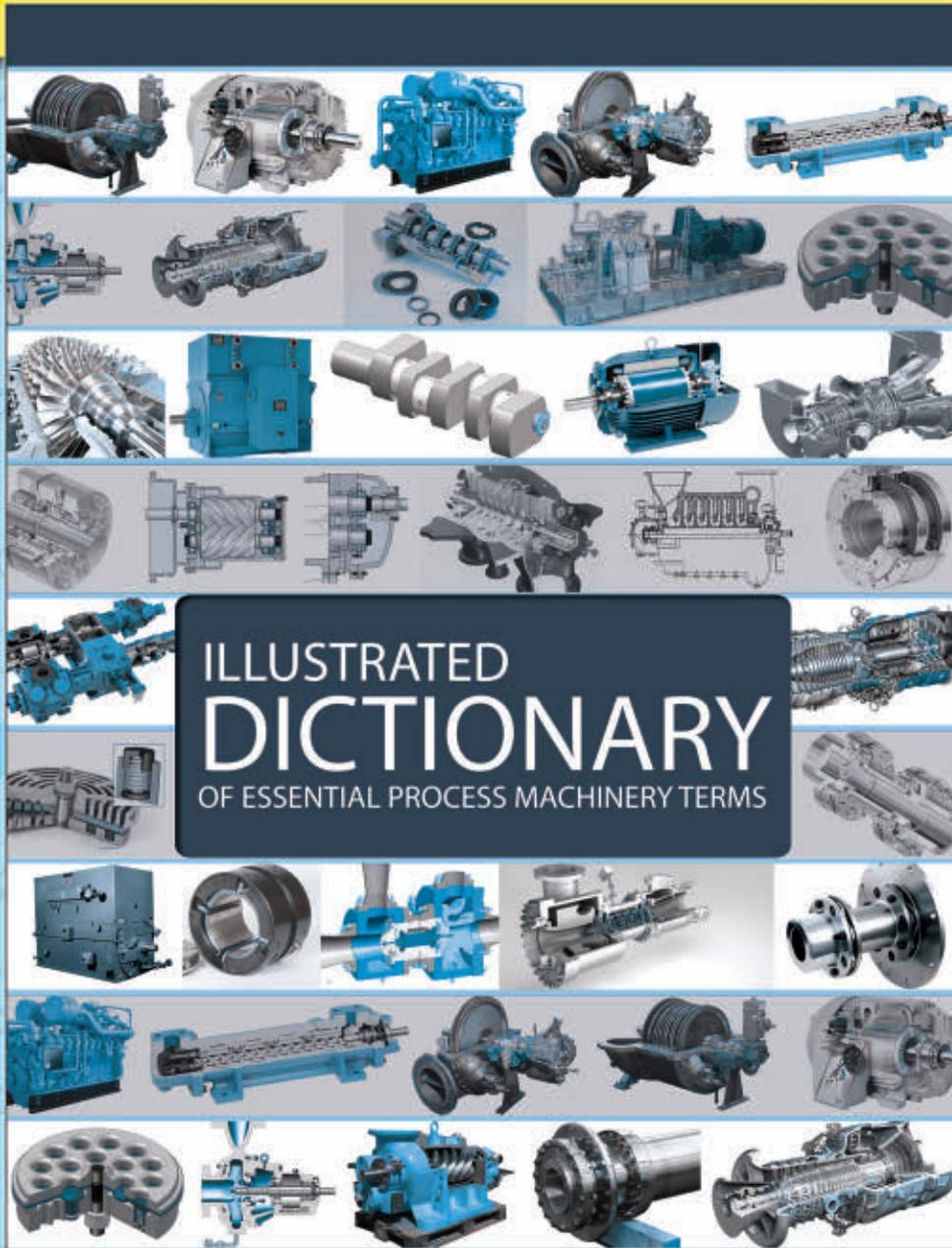
Alegacy Equipment is managed by Will Reyes and Minnie Telaroli. Reyes has 16 years of industry experience, including six years with Hanover Compressor before being the first employee hired by the fledgling SEC in 2003, where he eventually became director of fabrication and plant manager.

Telaroli has 20 years of industry experience, including 11 years at Hanover Compressor and nine years at SEC, with experience in scheduling, planning, budgeting and forecasting, contract administration, invoicing, P&L management, and human resource administration. Patty Baker serves as comptroller for Alegacy, drawing on more than 20 years of industry experience with Hanover and SEC.

Beginning in temporary offices in Waller, Texas, the management team quickly secured orders for over 100,000 hp (74,571 kW) of packages for several compression services

*continued on page 82*

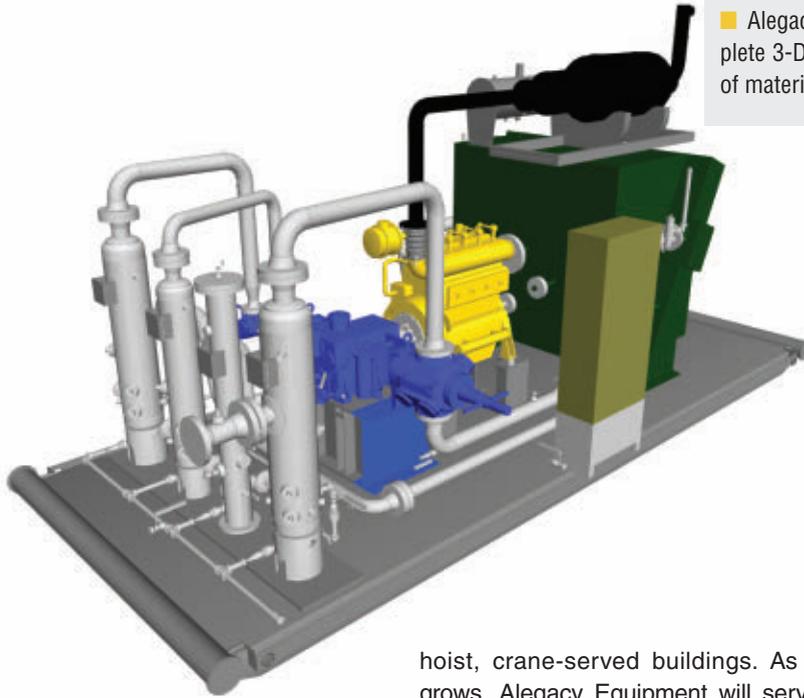
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■ Alegacy envisions its package design to be a complete 3-D solution, where the CAD model is also the bill of material.

fleets, including USA Compression and Kodiak. At the same time, they completed a facility in Waller with 30,000 sq.ft. (2787 m<sup>2</sup>) of packaging space and 20 ton (27 tonnes) crane capacity. Operations began last December and package fabrication was well underway by January of this year.

Alegacy Development has acquired 87 acres (35.2 ha) west of Waller and intends a long-term build out of a heavy industrial park with high-bay, heavy-

hoist, crane-served buildings. As it grows, Alegacy Equipment will serve as a significant tenant, but Alegacy Development will also build to suit other businesses, retaining ownership of all facilities within the development.

The third component of the new group is Alegacy CNG, which is being developed to focus on equipment for compressed natural gas. It will serve the growing public and private demand for CNG as an alternative fuel including, but not limited to: equipment, installation, service, conversions and supply for fleet, retail and home applications.

“Actually, we will work on the CNG focus to start with,” Pierce said. “It’s a new market. Customers are not set in their ways and are open to new technologies.” Added Nickles, “We’re making a conscious effort to assess the value in all that we do. We don’t want to look like the other guys.”

Alegacy Finance is the newest segment of the Alegacy Group. It provides complete project and equipment financing services for the other group subsidiaries and their respective customers.

Pierce and Nickles considered naming the company CNG Works. “But we didn’t want an acronym and didn’t want to give the impression that we were limited to CNG packages,” Pierce said. “In our brainstorming, we said that we wanted the company to ‘leave a legacy,’ so we came up with the name Alegacy.” [CT2](#)

■ Alegacy Equipment’s Waller, Texas, compressor package fabrication facility was completed last December.

