“Entering the Big Leagues”

Chapter II
1960–1969

But as 1960 began, America clearly anticipated a decade in which change—of one sort or another—would hold center stage.

Technology would be a big part of that change. America’s arms race with the Soviet Union—and their competition to conquer space—had produced a greater national emphasis on education, science and technology.

The tone of American leadership also was changing. In January 1960, Sen. John F. Kennedy announced his presidential bid. A year later, at the age of 43, the youthful Kennedy would assume the presidency from Dwight Eisenhower, severing the last link with the ranks of wartime leadership. To many, it seemed emblematic of America’s renewed sense of vigor as it entered a new era.

America was growing, and the Washington area along with it. As the 1960s progressed, Washington Gas found itself serving one of the fastest growing metropolitan regions in the country.

As it had in the previous decade, Washington Gas during the 1960s continued to experience very significant growth. Even as more meters came online within its existing franchise areas, the company laid the groundwork to further expand its service territory and secure additional supply.

Growing the Corporation

Like the nation, Washington Gas began the decade under a changed leadership.

In 1960, Washington Gas President Donald Bittinger assumed the additional roles of chief executive officer and chairman of the board, succeeding Everett Boothby.

With Bittinger at the helm, Washington Gas over the next several years acquired or organized a number of new subsidiaries.

In 1963, the company acquired the Frederick Gas Co., which served about 2,700 customers in or near Frederick, Md. The acquisition would provide Washington Gas with a foothold in a market which, like other outlying areas in the capital region, in subsequent years would experience rapid and substantial growth.

Also in 1963, Washington Gas organized another firm, the Hampshire Gas Co. to acquire and operate a natural gas field in the vicinity of Augusta, W. Va., directly west of the Washington, D.C., area.

Washington Gas in 1965 acquired another West Virginia firm, the Martinsburg Gas and Heating Co., which owned and operated a natural gas distribution business in that city.
The company pursued a number of other businesses during the decade as well.

In 1962, the company acquired Brandywood Estates, Inc. as a subsidiary. Washington Gas had incorporated Brandywood as an entity in 1956, with the ultimate intention of owning and operating an underground storage facility near Brandywine, Md.

Another new subsidiary came into being as a response to the turmoil of the times. In 1968, civil unrest in Washington in the wake of the assassination of Dr. Martin Luther King had produced significant damage in many of the city’s lower-income neighborhoods. As the decade came to a close, Washington Gas in November 1969 created a subsidiary called City Homes, Inc. to acquire and rehabilitate deteriorated homes in the District of Columbia for resale to “lower and middle income families at reasonable prices.” The project would continue for another nine years.

**Pushing the Boundaries**

During the 1960s, the company’s franchise continued to grow in nearly every direction. Gas service lines now were extended into new communities across the region, including into Leesburg, Va., to the west, and into Bowie, Md., to the east.

To simplify the development of its growing multi-state franchise area, Washington Gas in 1962 obtained an exemption from the Natural Gas Act to allow it to extend its transmission facilities across state lines within its service territory—without having to receive federal approval. This exemption was expanded in 1966 to include Charles County, Md.
Advertisements noting the benefits of natural gas helped the company continue to grow its customer base.

This growth—along with the 1965 expansion of the franchise area of the newly acquired Frederick Gas Co. to the north—resulted in a service territory which Washington Gas described at the time as being “nearly as large as the state of Connecticut.”

**Bolstering Facilities**

To serve this expanding network, Washington Gas pursued major improvements in its distribution and storage capabilities. Perhaps foremost among these advances was the completion of two critical river crossings in the early 1960s to connect and feed the growing Washington Gas service area.

As the decade began, the company installed a pipeline connection under Occoquan Creek near Woodbridge, Va., to feed gas from Fairfax County into its new service territory in neighboring Prince William County.

In 1961, the company also finished construction of a 16-inch pipeline under the Potomac River to link the company’s Maryland and Virginia systems. The connection completed a critical loop in the firm’s transmission network.

During this period, the company also greatly expanded its ability to store propane. In 1960, Washington Gas added 45 tanks to its Rockville, Md., propane storage facility—boosting the facility’s storage capacity by nearly 1.5 million additional gallons. Two years later, the company completed construction of another facility—this one an underground liquid propane storage cavern in the Ravensworth area of Fairfax County, Va.

The company’s growing service area, burgeoning customer base and increasingly complex operations demanded other improvements during these years as well.
In 1964, for example, Washington Gas issued a contract for a new computer system to centralize the storage and processing of customer data—including gas consumption data, billing information, and credit and service histories.

And, to serve the company in the field, the firm in 1968 began construction of a new Springfield, Va., operations center to house additional Washington Gas offices, shops and material storage facilities.

Ramping Up Supply

Going into the 1960s, Washington Gas had relied on a single pipeline supplier—Atlantic Seaboard. But as consumption in the region grew, Washington Gas required a greater supply of gas—and more transmission capacity to bring it in.

With more customers coming online, the company in 1967 bolstered its network with the addition of Transcontinental Gas Pipeline Co., or Transco, as a second pipeline supplier. By 1968, Transco and Atlantic Seaboard served the company’s growing Frederick Gas subsidiary as well. During this period, Washington Gas also began to use the two pipeline suppliers’ gas storage services.

Trouble on the Horizon

Overall, gas supplies appeared to be plentiful and relatively inexpensive in the early 1960s. At the same time, some in the gas industry voiced concerns that price controls at the wellhead discouraged exploration for new gas supplies. And that, they said, could only result in eventual shortages.
In the 1960s, Washington Gas vigorously promoted natural gas through television and hands-on efforts.

By the late 1960s, early indications of such a shortage began to emerge. In 1968, the American Gas Association (AGA) reported that—for the first time—the amount of natural gas consumed exceeded the amount of gas added to reserves.

Shortly after reporting its findings, AGA began to lobby the Federal Power Commission to lift price controls—correctly anticipating shortages which in fact did materialize several years later.

Exploring New Markets

As it had in the previous decade, Washington Gas through most of the 1960s vigorously promoted the use of gas primarily through television advertising and the hands-on efforts of its home service department. Typical marketing efforts advocated the use of gas for cooking, heating, air conditioning and clothes-drying.

But the decade also saw new twists to the lineup. By the mid-1960s, for example, the company had begun to promote the use of self-cleaning gas ovens, which promised to relieve homemakers of oven-cleaning drudgery.

Outdoor gas lights also became a part of Washington Gas marketing efforts during the 60s. It proved to be a wise decision. By 1969, the company reported that half of new home construction in its service territory included the installation of gas lights.

And by mid-decade, Washington Gas was promoting the latest natural gas appliance for the home—the gas-fired barbecue grill.

For many years, direct sales of gas appliances and equipment had been a major part of the company’s effort to promote the use of gas. In fact, even into the 1960s, the Washington Gas headquarters at 11th Street, N.W., featured an appliance sales floor.

But with gas appliances and equipment widely available, the company ceased direct sales in 1969. The company nonetheless continued to support dealers’ advertising campaigns, and to help finance gas equipment purchased by its customers.

Averting an End-Run

Since the 1950s, new home construction in the Washington metropolitan area had featured gas as a popular choice for space heating, water heating and appliances.

But in the mid-60s, electric utilities in the Washington area came up with a scheme to offer homebuilders free undergrounding of electric power lines—on one condition: Builders would have to agree to use only electric appliances in the home.

Washington Gas challenged the utilities’ offer, charging that the practice was illegal and discriminatory.
The Maryland Public Service Commission agreed, ruling that electric utilities could not waive the undergrounding charges. But final word on the disputed promotional scheme would not come until January 1970, when a U.S. District Court ruled that the practice violated antitrust law.

**A Special Arrangement**

While it had turned back electric utilities’ undergrounding scheme, Washington Gas had development plans of its own.

In the mid 1950s, the company had sold developers a parcel of land that formerly had been the home of a Washington Gas manufactured gas plant in Northwest Washington.

Although the company may have shuttered the facility that once stood on the land, the firm’s association with the property was not over.

In 1961, the company succeeded in obtaining shareholder approval of a special amendment to its charter to allow it to serve as the direct provider of heating and cooling services to a new customer—the Watergate office and condominium complex being constructed on the former Washington Gas parcel.

Although the amendment drew fire from fuel oil purveyors and air conditioning equipment dealers, the venture survived regulatory review. In 1964, the company signed a 56-year contract to furnish the services to the complex.
A decade of change

From the historic presidency of John F. Kennedy to Vietnam and civil rights protests and rallies, the 1960s were a tumultuous decade for the nation, particularly in Washington, D.C.
While the legal battle persisted for several more years, the U.S. Court of Appeals finally settled the matter for good in 1967 when it affirmed the company’s right to provide the services.

Unimpeded Growth

As the nation’s capital, Washington, D.C., during the 1960s often found itself at the epicenter of political and social turmoil, and sometimes suffered as a consequence.

At the same time, however, the greater Washington region grew and flourished during the decade—and Washington Gas prospered along with it.

In fact, the 1960s had been a period of exceptional growth for the company. Each year from 1960 through 1969, Washington Gas posted steady increases in therm sales and revenues. At the same time, the company throughout the decade had diligently built up its transmission, distribution and storage facilities to accommodate and drive that growth.

Customer meters connected had risen from 392,807 to 512,165 over the period. On cracking the major milestone of 500,000 customer meters in 1969, the company noted that the firm had added half of that amount, 250,000 meters, since 1948—as many new meters in 21 years as the company had accrued in the hundred years from 1848 to 1948.
Citizen of the Year award winners are congratulated by President Donald Bittinger.

The “Citizen of the Year” award was introduced in 1961 to recognize employees for their commitment to the community.

The Boy Scouts of America is just one of the organizations Washington Gas has supported over the years to help area youth.
Gas for space heating was a major driver. Of those half million meters, space heating meters grew by 87 percent over the decade—from 240,478 in 1959 to 393,339 at the end of 1969.

But meters alone did not tell the whole story, the company noted. The number of actual gas users was much higher: At the end of 1969, 310,064 apartment units in its service territory were served though a mere 11,596 meters.

All of this growth was handsomely reflected in net income, which grew from $8.8 million in 1960 to $13.4 million in 1969. The company rewarded shareholders as well during the 60s. In addition to a two-for-one stock split in 1961, Washington Gas increased its dividends in seven of the 10 years between 1960 and 1969.

The 1970s Beckon

As had happened near the end of the 1950s, the company’s executive ranks again underwent a shift, this time in 1969. In this instance, Paul Reichardt, who had begun his career at Washington Gas as a cadet engineer in 1940, assumed the role of company president from Donald Bittinger, who continued to serve as chief executive officer and chairman of the board.

Under Bittinger’s management, Washington Gas had spent the 1960s building a company capable of serving a region which promised to grow rapidly for years to come.

As it turned out, Reichardt, Bittinger and others at Washington Gas would have their hands full. While the social and political unrest of the 1960s was about to fade, America—and Washington Gas—were about to face a perfect storm in the gas industry. 