A new century and the threshold to the next 100 years of growth for our companies is before us. It was an exciting time in 1898, and certainly is in 1998.

In some respects, we're entering the 21st Century in much the same way we began the last one: hopeful, optimistic, hard-working, strong, customer-driven and determined to meet the challenges ahead.

Even though a great deal has changed since 1898, much has stayed the same. While it is important to take stock of where we've been and what we've accomplished, which is significant, we first need to look ahead at what we can accomplish together.
Here’s to the Next Century

Side-by-side, Hope Gas and CNG Transmission have weathered many storms, witnessed many industry changes, developed innovations and shared personnel and services. Together, we’re rounding the corner on our first 100 years.

In terms of philosophy, we have strengthened our resolve to be the best in customer service, safety, community service and economic development. We have added a commitment to technology and fostered internal programs to achieve the latest, most efficient and accuracy-driven technology available. We are significant players in the industry and work hard to increase market share and profitability. We maintain a competitive stance and are true to the principle upon which we were founded: quality.

We believe our workforce, much of which is represented by the Allegheny Mountain Gas Workers’ Union, is the best you can find. It is because of their hard work and dedication that we have built a solid foundation for the future.

We are strong family members in the areas of gas distribution and transmission as subsidiaries of the Consolidated Natural Gas Company of Pittsburgh.

We share in the pride of our history, embrace the legacy of our founding fathers and anticipate the future with enthusiasm.

Whether we are looking back upon the days when only the wealthy could afford the luxury of gas lighting, or contemplating our ongoing mission to constantly achieve new energy heights, this booklet pays tribute to our history and our century-old tradition of providing quality service to our customers and our country.

Upon our anniversary, we invite you to join us in re-dedicating our efforts to another 100 years of service excellence.

Taking advantage of new technology, a well tender collects information using a hand-held data recorder at a storage well.

CNG Transmission Corporation’s main pipeline system traverses six states. The system includes 10,000 miles of pipeline and 15 storage pools.
Hope Looks Forward

Hope Gas serves more than 113,000 customers in West Virginia. Hope is the only CNG local distribution company that is virtually deregulated. In 1995, the West Virginia Public Service Commission approved a rate case settlement which permitted Hope to enter into a three-year fixed-rate plan that provided rate certainty to its customers. In 1998, the Company received approval to continue this type of arrangement, which has benefited both Hope and its customers.

A growth-oriented supplier of energy services, Hope also maintains one of West Virginia’s largest fleets of natural gas-powered vehicles and remains dedicated to providing energy services in a safe and reliable manner.

Hope employees refuel one of the Company’s natural gas-powered vehicles. Hope maintains the largest utility fleet of natural gas-powered vehicles in West Virginia.

Hope serves 113,000 customers in 32 counties in West Virginia.

Hope employees install a service line for a new consumer.

CNG Transmission Corporation
P.O. Box 2450
Clarksburg, W.Va. 26302-2450
304-623-8000

Hope Gas, Inc.
P.O. Box 2868
Clarksburg, W.Va. 26302-2868
304-623-8600

www.cng.com
On Sept. 17, 1898, for a fee of $61, West Virginia’s secretary of state granted Standard Oil of New Jersey a certificate of incorporation for the Hope Natural Gas Company. The fledgling company was based on issued stock of just $200,000, a small amount by today's standards.

Yet the very act of incorporating our predecessor represented a leap of faith on the part of our founders. These five captains of the gas industry were banking on the increased use and profitability of natural gas even though coal was still the predominant fuel.

Except in the homes of the wealthy, residential usage of natural gas was not common. Overall, a great deal was yet to be discovered about the operation and efficiency of long-distance gas transmission and use.

Despite the financial risk, our founding fathers’ vision was to harness this well-spring of energy. Pennsylvanians Elizur Strong, Capt. John Tonkin, H. M. McSweeney, Calvin Payne and Robert S. Hampton were hopeful that natural gas (an offshoot of oil production) would prove to be the wave of the future. They named their company accordingly—Hope Natural Gas Company.

With 12 employees (including the five incorporators), Hope spent its early years in Oil City, Pa. Field operations had not been established, so all the Hope employees worked at administrative tasks. Soon, activity began to escalate, however.

Gearing Up for Growth

In April 1899, in anticipation of supplying high-demand cities in Ohio and Pennsylva-
nia with gas, the start-up company purchased 11 gas wells, related field lines and 29,904 acres of leaseholds from the South Penn Oil Company. Except for two wells in Greene County, Pa., this $232,000 investment represented a strong foothold in West Virginia's Wetzel County.

Even though Hope's first pipeline became known as the "Akron 10-inch," it originated as an eight-inch line in Wetzel County. From there it continued as a 10-inch across the Ohio River before it connected to another 10-inch section extending to Akron, Ohio. The connecting line was owned by the East Ohio Gas Company which, like Hope, was incorporated in 1898 with Standard Oil backing.

The Akron line had the distinction of being one of the first pipelines to transport natural gas in interstate commerce. The natural rock pressure of the gas emanating from Hope's Wetzel County wells supplied the line and provided one of the springboards for our becoming one of the country's largest integrated natural gas systems.
The New Company Gathers Strength

By 1900, xenon, krypton, neon, radon, gas and radium had been discovered in at least 17 states. Pennsylvania was the leading producer of gas and West Virginia was close behind. Hope hit the ground running as a producer and intended to keep moving forward.

In 1902, Hope opened its first field office in New Martinsville, W.Va. Construction also started that year on Hastings Station, Hope’s first compressor station. Named in honor of Dennis Hastings, the Company’s first general superintendent, Hastings Station was built alongside the Akron line, and later would become the hub of Hope’s transmission system. At the time, the two 4,500-horsepower gas engine-driven compressors at Hastings Station were the largest engines ever used to pump gas.

In 1902, Hope formed a general teaming department and continued to use horses for hauling over the next 30 years.

Next, Hope acquired the Flaggy Meadow Gas Company and properties of the South Penn Oil Company and the Carter Oil Company. In 1903, Hope’s production increased when East Ohio Gas Company extended its service to Cleveland.

By 1903, Standard Oil had acquired The Peoples Natural Gas Company in Pittsburgh and connected its lines to Hope’s. The Company’s first annuity plan also was adopted in 1903.

In 1904, Hope’s charter purposes were amended to implement the right of eminent domain and to sell and supply gas in West Virginia. Able to provide retail delivery of gas to West Virginia’s towns and cities, Hope truly was an integrated natural gas company engaged in production, transmission and distribution.
An increasing number of wells were being drilled and purchased, gas-purchase contracts were being negotiated and new field and trunk lines were being laid by the time Hope began the first expansion of Hastings Station in 1906. So much construction ensued that the Company found it necessary to build its own hotel for workers.

Hope relocated its field office in New Martinsville to the top floor of the Empire Bank Building in Clarksburg, W.Va., in 1907. Davis Station, the Company’s second compressor station, also was built. Drilling continued at the rate of approximately 75 wells per year. The average price for purchased gas was less than three cents per thousand cubic feet.

As the decade ended, West Virginia led the nation in natural gas production. With a dozen years under its belt, Hope not only was on its way, it was firmly established in all phases of the industry. The future looked bright and still is as we start a new century of service.

Stone-filled ground, steeply sloped terrain and adverse weather conditions often added more difficulties to the rough-going of early pipeline construction.

A Community Hall was among more than 60 Company-owned structures at Hastings, W.Va. Structures included dwellings, general store, church, post office, a small hotel and an athletic field.
As Halley’s Comet rocketed through the skies, under and above ground, Hope was beginning to soar in the natural gas business. The year was 1910 and it marked the beginning of a decade of one of Hope’s greatest periods of expansion. Hope was becoming a giant in the industry.

The gas fields of central West Virginia rapidly were being developed. Reduced original well pressures in most of the producing fields made it necessary to build stations to move the gas to Hastings and then to major distribution centers. Other 1910 activities included the purchase of Mountain State Gas Company, Home Gas Company and all the West Virginia properties of Fayette County Gas Company. Hope also established a drilling department. Leaseholds in West Virginia totaled 1.4 million acres.

In 1911, the Sherman Antitrust Act required Standard Oil, which held stock in 34 companies, to dissolve as it had been constituted.

Shooting wells with dynamite or nitroglycerin was not for the faint of heart, but the promise of greatly increased production provided strong incentive.

Standard Oil’s gas activities were not judged to be restraint of trade, so an integrated network of gas production, transmission and distribution facilities remained under the umbrella of the newly organized Standard Oil Company (New Jersey). Four of the five companies that eventually would become the Consolidated system also were in place: The Peoples Natural Gas Company, The River Gas Company, Hope Natural Gas Company and The East Ohio Gas Company. The fifth component, a pipeline to supply non-affiliated utilities in New York State, was added in 1931.
Hastings Station in 1916 was the site of much activity for the Company. Of special note was the experimentation with liquefied propane and butane to be charged into cylinders. The first-ever sale of this new product was to the Pittsburgh mills for use in cutting steel.

South Penn Oil pipeline employees are shown in the early part of the century.

This drilling rig was operating in Wallace, W.Va., around 1914.
Forward-Thinking... and Moving Forward

Around 1913, Hope constructed the first oil absorption plant in the United States. The plant was designed to extract natural gasoline in commercial quantities from natural gas. Hope was granted exclusive license to the process and the rights to use and sell the resulting product. This same year, New York State Natural Gas Corporation was incorporated. Slightly more than a half century later, it would merge with Hope.

Just when it seemed Hope’s gas sales had slumped to the point of no return, World War I began. A four-year period of exceptionally high industrial demand ensued. War production plants were working ‘round the clock. During this time, the extraction of by-products from natural gas became a profitable side-line business.

Hope made more purchases and constructed more transmission lines and compressor stations. There also was a marked increase in residential sales when the cost of coal, the most popular home-heating fuel, rose steeply. Then, as now, the price of clean-burning natural gas remained a bargain.

As the war ended late in 1918, the excessive demand for natural gas slowed.

Recovering Lost Ground... and Gaining New Ground

Hope entered the Roaring Twenties with a shortage of supply, because of the wartime depletion of reserves. Company officials compensated by extending the production territory and transmission system, despite the fact that half as much gas was being handled in 1921 as in 1916.

Following the economic recession in 1921, Hope was faced with a gradual increase in demand that it was not fully able to meet. In order to increase supply, Hope raised

Drilled in 1918, Hope’s Well No. 4190, at a depth of 7,400 feet, was then the world’s deepest well. It produced until 1965 and was adapted for use as storage.
the price paid to contract vendors to drill additional wells, restore old wells and help deliver more gas. Additionally, Hope began negotiating large gas purchase contracts and exploratory drilling into deeper formations to meet demand.

All in all, Hope was performing well and in 1923, net income reached a new high of $6.6 million, a figure that would not be exceeded until some 40 years later. Net income in 1997 was $117.5 million for CNG Transmission and $8 million for Hope.

The Twenties were marked by more than a few notable achievements. One was the activities for employees attending the Company picnic in 1925.

Team competition was among the activities for employees attending the Company picnic in 1925.

Built in 1921, Jones Station in Gilmer County, W.Va., was one of Hope’s larger installations in the early years. At left on the bank are some Company houses. In the foreground is the boarding house and just above it is the Company barn. At right, above the pipe yard, the large building is the pumphouse.
1925 development of seamless, electrically welded pipe that would greatly improve the construction of natural gas transmission lines. The following year, a second big station, Hastings No. 2, was built as insurance against losing all compressing capacity in a breakdown. Also, Hope’s newly formed safety department initiated an accident-prevention program.

Customers increased, spirits were high and the company named in hopeful anticipation of success was a self-fulfilling prophecy. By 1928, Hope was operating more than 3,257 gas wells, had 50 compressor stations and close to 9,000 miles of pipeline of more than three-inch diameter. CNG

Transmission today has 3,362 production wells, 1,510 storage wells and 10,000 miles of pipeline.

All of the properties of Clarksburg Light and Heat had been purchased, along with Glenville Natural Gas Company. A brand-new office building at 445 West Main Street in Clarksburg had been built.

It seemed as if there were no way to go but up, even though there were many economic signs of the hard times to come. Almost the entire nation was taken by surprise when the stock market crashed in October 1929.

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Workers bend pipe for connections at the new Stonewall Jackson Station in Chelyan, W.Va., in 1925.

Digging is made slightly easier in the mid-1930s in Steuben County, N.Y., thanks to the use of the ditching machine.
During the Depression, jobs were lost, lives seemed ruined and the economy hit rock-bottom.

While many companies went belly-up, Hope stayed afloat, despite a substantial reduction in sales. Expenses understandably were reduced, yet Hope made a concerted effort to maintain its existing properties and extend its facilities as much as possible. It was a difficult time, but one in which the Company still had high hopes for better times in the future. True to its pioneering spirit, Hope wasn’t just surviving; it expanded and improved its business and the sale of its by-products.

About 1930, a signature piece of equipment was introduced. The high-speed, angle-type, gas-engine-driven compressor became available in a wide range of capacities. These sturdy, dependable workhorses performed faithfully, as some remained in service for 40 years or more.

By 1931, Hope’s deliveries had declined from around 60 billion cubic feet per year to 56 billion. As production from various older fields continued to decline, Hope secured new sources of supply to stem the decline. To do this, however, it moved further and further afield from its major markets. Therefore, even though times were tough, Hope was compelled to build additional pipelines and compressor stations to transport gas. It is interesting to note that even though the country was in the midst of the Depression, Hope still held its annual Company picnic, and still does!

Company net earnings reached a low point of $40,500 in 1932; gas sales
Unloading 12-inch pipe to be used in the construction of New York Natural Line No. 512 in Steuben County, N.Y., in the summer of 1937.

A New York State Natural pipeline construction project of 1931 in Lindley, N.Y.

decreased to 37 billion cubic feet and production from Company wells was cut back to the lowest total since 1901. With cost-savings in mind, the work week was reduced from five and one half days to five days a week. Now employees enjoyed two days off each week.

The Light at the End of the Tunnel

The introduction of the three-cone bit used in rotary drilling was welcomed in 1933. In 1935, gas was discovered in the Oriskany Sand for the first time in West Virginia in Kanawha and Jackson counties. A new pipeline and compressor station were built to serve this field.

In 1936, Hope successfully constructed the first all-welded high-pressure natural gas pipeline: a 12-inch, 95-mile line between its Cornwell and Hastings stations. This innovation greatly simplified pipeline construction by eliminating the need for inserting couplings as expansion joints at intervals on long lines. Also, it hastened the development of a nationwide gas pipeline network.

Hope stayed on its fast track in 1937 with the inauguration of the Company’s first underground gas storage field at Bridgeport in

It took real manpower to tighten couplings prior to the usage of all-welded pipelines. This team labored the summer of 1937 in Tioga County, Pa.

Harrison County, W.Va. This first storage field, actually a depleted field that once had produced large amounts of gas, served as the prototype

Unloading 12-inch pipe to be used in the construction of New York Natural Line No. 512 in Steuben County, N.Y., in the summer of 1937.
To carry natural gas to residential and industrial customers in the Northeast, a pipeline was constructed around 1935 in Potter County, Pa.

for establishing other storage facilities. The principle is to take depleted fields close to major markets, revamp to store gas produced elsewhere and withdraw as needed to supplement flowing supply in the winter months or to meet peak demands in unusually cold weather. We still are using the Bridgeport Storage Pool, which is part of the world’s largest network of underground natural gas storage fields. Its 1998 capacity is 7.2 Bcf.

The 1937 construction of New York State Natural’s Line No. 8 in Tioga, Pa.

The Natural Gas Act of 1938

Until this point, governmental regulation of the gas industry was confined largely to distribution activities at a state or local level. But with the passage of the Natural Gas Act, the federal government became involved every time the pipelines crossed state boundaries. Suddenly, the Federal Power Commission had the authority to regulate interstate transmission of natural gas. Operating guidelines, price structures and competition were now under government scrutiny. Internally, Hope became involved in a property reclassification project, a huge accounting undertaking that required a specialized staff and more than four years of concentrated effort. The theory and practice of rate-making forever would be changed for all gas utility companies.
With the onset of World War II in September 1939, the demand for gas began to increase. Our country’s defense preparations and participation in the war had a national and Company-wide effect: The Great Depression of the ’30s began to subside and Hope’s business started to increase. Both were linked to the boom-effect the war had on the economy.

Other memorable events included an experimental gas liquefaction plant constructed by Hope at its Cornwall Station and the merger of the Reserve Gas Company (which Standard Oil had organized in 1902) with Hope. Reserve brought to the system its northern West Virginia properties, including Kennedy and Camden stations. These later would become important cogs in Hope’s transmission system.

While everyone in the country dreaded the onslaught of war, all were ready to bid farewell to the crushing widespread poverty and grim circumstances that marked the years from 1929 to 1939. As a country, we were united in hoping for the best-possible resolution. As a company, we were committed to serving our country’s defense needs. Change was in the air.

**The Uphill Climb**
In early 1940, Hope’s general office facilities were transferred to Clarksburg from Pittsburgh where they had been since 1904. Vestigial effects of the Depression still were in evidence. The war in Europe was going badly and was creeping ever closer to our shores. Much of Hope’s personnel was still involved in its mammoth property-reclassification project while still others were coping with extensive inter-state rates hearings held before the Federal Power Commission in Washington, D.C.

Because of the steadily increasing demand for wartime-application gas, Hope drew heavily upon its reserves at a much greater rate than thought to be prudent. But there was no alternative. Hope began to explore ways to bring gas via a long-distance pipeline from the Southwest, where production was abundant. However, nothing materialized at this time and no contracts were awarded. Yet, our marching orders were clear. We were
dedicated, both as U.S. and Hope Natural Gas citizens in helping our country with wartime efforts. As of Dec. 7, 1941, with the bombing of Pearl Harbor, we were officially at war.

**Coining New Terms and Coming to New Terms**

Ever heard the expression “bare bones costs”? In 1942, a rate order was issued by the Federal Power Commission to radically reduce Hope’s interstate rates. This decision, a test case for the natural gas industry, set original cost depreciation as the rate base... or bare bones cost.

Also in 1942, prices, salaries and wages were frozen nationally to fight inflation. Men were drafted into the Armed Forces and women took over as the predominant workforce.

On Oct. 15, 1943, faced with the prospect of regulation as a public utility holding company, Standard Oil divested its four gas utility subsidiaries, including Hope, and one pipeline company, New York State Natural. They were combined into a single and totally independent company: Consolidated Natural Gas Company.

Standard turned over to Consolidated all of the capital stock for Hope, The East Ohio Gas Company, The Peoples Natural Gas Company, The River Gas Company and New York State Natural Gas Corporation. In return, Standard received all of Consolidated’s stock, which then was distributed to

Workers perform their job duties in the mid-1940s with a constant reminder of safety, one of the Company’s most-important objectives, both then and now.
Standard’s stockholders on the basis of one share of Consolidated for every 10 shares of Standard.

That same year, Consolidated cooperated with wartime efficiency efforts and joined forces with Tennessee Gas Transmission Company to pipe gas from Driscoll, Texas, to Hope's Cornwell Station near Clendenin, W.Va. It would mark the first time that the Company's gas supplies had come from a source other than the Company's own Appalachian production fields.

The next year was notable for a number of reasons. In 1944, Consolidated's management arranged for Hope to direct-supply its sister company, New York State Natural Gas Corporation, from Hastings; Hope's Bridgeport Station (W.Va.) was leveled by a tornado, then soon rebuilt; and in the southern part of West Virginia, large discoveries of gas were being made.

Even though the war didn’t end until the Japanese surrendered in August 1945, the world was relieved on May 7, 1945, when Germany surrendered unconditionally. We not only had met the challenges of increased usage during our country's military campaign, we had maintained a pattern of growth.

Many underground gas storage projects were developed during the war years, and Hastings Station was modernized. Now it was time to acquire new supplies, replenish depleted reserves, develop the business of by-products, purchase new properties and construct new facilities.

Devastation from the tornado was rampant, but shifts worked around the clock to have Hope's Bridgeport Station back in business in about two week's time.

near Clendenin, W.Va. It would mark the first time that the Company's gas supplies had come from a source other than the Company's own Appalachian production fields.

In the aftermath of the June 23, 1944, tornado that struck the Harrison County area, Hope's Bridgeport Station was leveled.

The gasoline plant at Hastings was revamped in the late 1940s into a modern gasoline and petroleum by-products plant to produce gasoline, butane and propane. A replacement facility continues to operate today.
In 1946, the Company started a huge three-year expansion program, which included construction of four new compressor stations and 1,660 miles of pipeline, all slated for completion by 1948. As part of the expansion plans to celebrate our first 50 years in business, the facilities at Hastings, Hope's largest installation, were nearly rebuilt.

Post-war communications were vastly improved once Hope installed several base and mobile radio-telephone stations, critical to gaining control of high-pressure gas transmission lines and compressor stations when the various wire lines failed in severe weather. It is a marked contrast to today's high-speed and seemingly endless modes of communication.

The Sept. 17, 1948, golden anniversary of Hope Natural Gas Company was celebrated with a two-day event attended by nearly all of its 2,129 employees and 596 annuitants. More than 8,000 visitors toured Hope's Clarksburg office, and Consolidated's board of directors held its quarterly meeting in Clarksburg (rather than the customary site of New York). The Company that was founded in the hope of attaining success in what was then an infant-industry had grown into a powerhouse. (CNG Transmission and Hope Gas now have 1,696 employees and 1,367 annuitants.) Equipped with a rightful sense of pride in our first 50 years, we embarked upon the next half of the century with vigor.

There were similar signs of prosperity in evidence at New York Natural and the Texas Eastern Transmission Corporation. In 1949, these two companies announced a project that captured the attention of everyone in the gas industry: the start of development of Oakford Storage Area, then the largest gas storage operation in the world. Just east of Pittsburgh, the site had been a gas-producing area since 1887. It still ranks as a prominent provider of natural gas in our Company's present-day operations.
Post-War Prosperity and Industrial Growth

In 1950, 1.5 million American households had television sets. A year later, the number jumped to 15 million, a good indicator of the post-war consumerism and optimism that characterized the Fifties.

This also was the decade in which Hope would become involved in offshore operations in the Gulf of Mexico, leading to significant Company growth and development; machine accounting, remote control and data processing to facilitate gas dispatching; aerial patrol of pipelines using helicopters; hydraulic fracturing of wells; coating, wrapping and cathodic protection of pipelines; and artificial odorization of gas.

Concurrently, New York State Natural Gas found itself in an advantageous position in 1950 with the discovery of the Leidy pool. It would mark the beginning of new and abundant gas supplies for the company that would, in about 15 years, merge with Hope.

In 1952, Hope began using hydraulic fracturing, a safer method than shooting wells with nitroglycerin and one that results in 10 times the open flow. Other public-safety and efficiency-driven techniques that came into use were pipe coating, pipe wrapping and cathodic protection to reduce corrosion; stronger and better-tested pipe; X-ray inspection of welds; and machinery such as backhoes, bulldozers and sideboom tractors that make pipelining somewhat like an assembly-line procedure.

In 1954, the new Hastings hotel replaced the original one built in 1907. It provided room and board for transient Hope employees at the Company’s largest installation.
In 1959, Hope’s transportation agreement with Texas Gas and Texas Eastern brought gas supplies produced in off-shore drilling.

The same year, the U.S. Supreme Court extended Federal Power Commission jurisdiction to the production of gas sold in interstate commerce. Our work was cut out for us in the Fifties, working hard at producing, storing and moving natural gas, and equally hard at keeping pace with regulatory matters.

By mid- to late-decade, we had imported a big, rotary-type rig from the Southwest to explore the possibility of drilling deeper than had ever been done in the eastern section of the country; more than two-thirds of all the system’s gas was coming from the Southwest; a harmless petroleum product (Calodorant C Special) had been added to return the “natural” odor to natural gas; electronic well logging to evaluate all new wells was being employed; and we had embarked upon exploration and development efforts both onshore and offshore in Louisiana.

By the late 1950s, New York Natural teamed with Transcontinental Gas Pipeline Corporation and Texas Eastern Transmission Corporation to develop the Leidy Pool for storage. Leidy continues to play a critical role in meeting customers’ needs.

As the Fifties came to a close, we had made great technological advances, TL-342 was constructed in 1959 between Hastings Station and Pennsylvania, including the use of remote control and data processing equipment to open and close valves and regulate the volume of gas being delivered.

Once again, change was in the air and we responded successfully.

Kennedy Compressing Station in Lewis County, W.Va., in 1953.
Nationally, the 1960s represent a time of social change and civil unrest. Within our frame of reference, it was the decade that marked the merger of Hope and New York State Natural Gas Corporation, a pairing of the Consolidated System’s principal gas supply companies that resulted in the formation of a single new operating subsidiary.

In a letter dated Feb. 8, 1963, employees received word that the consolidation of Hope and New York State Natural would result in greater efficiency and economic benefit to both organizations and their customers. Legal matters would tie up the action until 1965 when the properties, operations and personnel would be brought together under the name of Consolidated Gas Supply Corporation. Its pipeline network would extend from southern West Virginia through Pennsylvania and as far east as Albany, N.Y. The major part of Hope’s business and all of New York State Natural’s involved the wholesale sale of gas. The merger resulted in just one Consolidated subsidiary in the wholesale gas business—Consolidated Gas Supply Corporation.

Meanwhile, expansion and construction continued at a brisk pace and included the installation of Lightburn Station in Lewis County, W.Va., and a new 30-inch transmission pipeline (TL-360), the first Hope pipeline to have the right-of-way located through the use of aerial photography and to feature internal coating to reduce friction.
The use of big, bulky—yet time-saving—computers began in the 1960s; Cornwell Station was remodeled; Hope’s hotels closed; and Lightburn Station, near Jackson’s Mill, W.Va., began operating.

In 1965, Hope’s transition from a functional to a divisional type organization for the Operating Department was completed with the establishment of Divisions I, III and IV. Division II was established earlier. Four months later, the merger between Hope and New York State Natural became effective. Four principal gas supply companies of the Consolidated System with headquarters in Clarksburg. Two additional divisions, V and VI, encompassed the operating territories of the former New York State Natural. The name Hope Natural Gas Company was retained to identify the distribution division serving more than 94,000 retail customers in West Virginia, mainly in the cities of Clarksburg, Parkersburg, Morgantown and Fairmont.

The first major project of Consolidated Gas Supply Corporation was the drilling of a deep, exploratory test well in Pennsylvania. By 1966, the degree of success achieved by the Company in Louisiana and offshore in the Gulf of Mexico had led to the establishment of a full-scale exploration and production staff in New Orleans. These were the early operations of what is now our sister company—CNG Producing.

In 1968, Consolidated began construction of a major addition to its transmission system under the name of the Lebanon Project. A 26- and 30-inch pipeline would be extended from a point near Lebanon, Ohio, to a point just west of Pittsburgh to enable the Company to meet its anticipated demands for new gas sales. This long-term, $37.5 million project would tie in to a line owned by Texas Gas Transmission. By 1968,
so did our drilling programs with the outstanding discovery of a new Oriskany Sand pool in Indiana County, Pa., in 1970.

By mid-decade, we were coping with shortages by complying with cut-backs to industrial customers on pre-arranged priority basis; obtaining a portion of our gas supply from Canada; stepping up drilling in the Appalachian area; supplementing flowing

Consolidated companies were operating 26 underground gas storage pools, many of which are still operating today.

The end of the decade saw an elaborate dedication ceremony for the Supply Corporation’s new extraction and fractionation plant, Hastings Extraction Plant, in Wetzel County. The late 1960s also saw the beginning of a nationwide gas supply problem that was directly related to the country’s ever-increasing energy usage. The government’s regulations both stimulated gas consumption and inhibited exploration, production and transportation. Once again, huge challenges loomed.

**The Gas Shortage Years**

From 1970 to 1978, we spent a great deal of time devising methods to combat shortages. These methods also had to have enough merit to offset the considerable costs of research and development. We began the decade in compliance with the guidelines for the Consolidated System, which called for discontinuing sales efforts to new commercial and industrial large-volume buyers. As the need for additional gas increased,
The dedication of the new extraction and fractionating plant at Hastings drew a large crowd in 1969. The new operations were much more sophisticated and produced higher grade raw materials to be sold to various companies manufacturing petroleum and chemical products. The extraction of liquefied hydrocarbons, prior to marketing the gas, had become a highly profitable phase of the business.

supply from storage; and increasing supply via the gasification of coal and the importation of liquefied natural gas. We were well-acquainted with the reasonable — and unattainable— notion of obtaining government permission to increase producer prices in order to stimulate the search for new supplies. But this notion only would add to our frustration during the Seventies, as would the zealous and highly publicized public concern for improved environmental protection and conservation of natural resources.

Before the decade closed, we had weathered one of the worst winters and reduced storage inventories in our history. Additionally, the Federal Power Commission, which had long been the federal regulator for the industry was disbanded with its functions split between the Federal Energy Regulatory Commission (FERC) and Department of Energy.

For 10 years, it was tough-going, but we had performed well in spite of overwhelming odds created by supply shortages, inclement weather and government mandates and intervention.
The Fork in the Road

The decade of the Eighties was a marked contrast to the gas supply shortage of the 1970s, but with a twist. While the Consolidated System featured an overabundance of readily available production, the reserves-to-consumption ratio was still in a negative position. This decade would see the discontinuation of all synthetic gas projects and the importation of liquefied natural gas (LNG) from Algeria. It also was a time of struggling against a severe recession, which resulted in a significant drop in industrial gas sales. Once again, a reorganization would take place.

In 1984, the distribution operations became a separate company, Hope Gas, Inc., and the interstate gas transmission operations became Consolidated Gas Transmission Corporation. Both companies would have headquarters in Clarksburg.

Transmission Company Defines Its Role

By the middle of the decade, we would be caught in the throes of deregulation. In 1985, the phased deregulation of natural gas pricing at the wellhead resulted in the deregulation of most new deep gas. Two years later, the deregulation of shallow gas would occur. This would leave only a relatively small amount of gas—mainly old gas—remaining under price control.

But an event in October 1985 had an especially profound effect on the Transmission Corporation operations. From FERC came Order 436, or the “open access” initiative that encouraged local utilities and end-users to buy gas directly from producers. The order also required pipeline companies to transport the gas bought directly from producers. Gas transmission companies formerly had bought and resold almost all of the gas they transported. Now, they became contract carriers.
Prior to this, we bought gas at the wellhead and re-sold it, for the most part, to the local distribution companies. Because of regulatory changes, the gas industry dramatically changed. There was an eager market for relatively inexpensive supplies of natural gas.

Even before our name changed to CNG Transmission Corporation in January 1988, our primary role also began to change from being a merchant to a transporter.

By the time we entered the 1990s, our client list had grown from about 20 major customers to several hundred. Among some of the new customers were Baltimore Gas and Electric, Washington Gas Light and CNG’s newly acquired Virginia Natural Gas Company.

Around this same time, the massive Lebanon-to-Leidy project was initiated. It was designed to double the daily volume of transmission from the line’s western-most station in Lebanon, Ohio, to Leidy, Pa.

It resulted from an agreement CNG Transmission had signed with the Transco Energy Company to provide 250 million cubic feet per day of firm capacity on the Company’s lines from the Texas Gas terminus at Lebanon to Transcontinental Gas Pipe Line Corporation’s Leidy line.

To our advantage, our vast underground gas storage facilities would propel us to a dual leadership position in the industry. In 1991, North Summit Storage Pool would begin operation and join the ranks of the many once-depleted gas fields that were converted to storage. Currently, there are 15 pools in which we store in excess of 730 billion cubic feet of natural gas.

Additionally, we expanded service beyond our traditional territories into growing gas markets such as the East Coast and Mid-Atlantic regions.

By 1992, the industry faced more regulatory matters when FERC issued Order 636, which called for pipeline companies to “unbundle” their transportation services.
Current Hastings facilities include (from top) Hastings Station, field offices and the Hastings Extraction Plant. Photo by Lynn Adams.

from gas sales. Bundled services are transportation, storage, purchase and resale that were traditionally offered as a single service. Our response then, as it is now, is to comply and offer an even greater level of service to our customers.

CNG Transmission Corporation is a provider of gas transmission and storage services, and as such, the Company’s operations are divided into two segments. The Transmission and Storage segment has five areas:

Eastern—with headquarters in Utica, N.Y.; Northern—Sabinsville, Pa.; Central—Leidy, Pa.; Western—at Oakford, near Delmont, Pa. and Southern—Weston, W.Va. The Products segment, with headquarters in Clarksburg, W.Va., includes the wet gas system, natural gas liquids facilities, and production and gathering field operations.

CNG Transmission is working to maximize the use of assets and to offer customers options that will meet their changing needs. Customers include other CNG subsidiaries, non-affiliated utilities and many others in the Midwest, Mid-Atlantic and Northeast regions of the country.

Western Area is headquartered at Oakford Station near Delmont, Pa.

A corrosion technician checks cathodic protection on a pipeline.