Notes

CHAPTER 1

1. This thesis generally agrees with Stephen Breyer’s “normative approach”: “It assumes that regulations seek in good faith to attain such goals [reasonable regulatory goals enacted by reasonable human beings], regardless of the existence of other possible motives in fact.” Stephen Breyer, Regulation and its Reform (Cambridge: Harvard University Press, 1982), 10.


6. Ibid.

7. Each of these company names changed slightly during the period of this study. Except when the company names appear in quotations, they will be referred to as Tennessee Gas, Texas Eastern, and Transcontinental throughout the text.

8. See Thomas McCraw, The Essential Chandler (Boston: Harvard Business School Press, 1988), 361: Chandler defines an entrepreneur as one who owns or controls large shares of stocks and has “a major say in the selection of managers, in the making of over-all policy, and in long-term planning and allocation of resources.”

9. During the 1970s, these and other pipelines curtailed gas sales to their northeastern customers, but this was due generally to a failure in regulatory policy toward gas producers, not a failure of pipeline regulation.


24. Ibid., 189. Also see Transportation Act (1920): 41 Stat. 456.

37. Ibid., 226, 205.

CHAPTER 2

5. Ibid.
6. Ibid.
7. Ibid., 3.
8. Btu refers to British thermal unit. One Btu equals the amount of energy required to raise the temperature of one pound of water by one degree fahrenheit.

175
30. Ibid.
31. Ibid.
33. Ibid., 14.
34. Sanders, *Regulation of Natural Gas*, 24.
38. FTC Report, 73-A, 75.
39. Ibid., pt. 84-A, 87–95.
40. Ibid., 615–16, 609.
41. Ibid., 593.
42. Ibid., 591.
49. Gifford Pinchot to Scott Ferris, September 17, 1918, RG-138, History of the Federal Water Power Act, 804, NARA.
50. 52 U.S. Stat. 821.
53. Ibid., 9316.
58. Sanders, *Regulation of Natural Gas*, 49.
60. 52 U.S. Stat. 821, 1938.
61. Sanders, *Regulation of Natural Gas*, 50.
62. 52 U.S. Stat. 825.
Notes to Chapters 2–3

63. *Congressional Record*, 75th Cong., 1st sess., vol. 81, pt. 6, April 22, 1937, 3771.
65. H.R. IFC 1937, 134. Also see Sanders, *Regulation of Natural Gas*, 49–50.
67. “Natural Gas,” 56.
68. Ibid., 96.
69. Ibid., 99.

CHAPTER 3

4. Ibid.
5. Ibid., 228–29.

178
Notes to Chapter 3

17. "Limitation Order L-31," RG-179, box no. 6, "Natural Gas—L-31," NARA.
22. In 1946, the company’s name changed slightly to Tennessee Gas Transmission Company.
26. John E. Buckingham to Curtis B. Dall, June 10, 1940, ibid.
27. Buckingham to Dall, December 10, 1940, ibid.
28. Buckingham to Dall, August 6, 1940, ibid.
32. Also see “Federal Regulation of the Transportation and Sale of Natural Gas in Interstate Commerce,” *AGA Proceedings* (1938), 126.
34. Ibid., 137–39.
35. Ibid., 141.
36. Ibid.
37. Ibid., 145.
40. H.R. IFC 1941, 1, 5.
Notes to Chapter 3

42. H.R. IFC 1941, 5, 2–3.
43. Sanders, Regulation of Natural Gas, 52–53.
44. J. A. Krug to Curtis B. Dall, February 20, 1942, RG-138, box 147, folder 70-53, NARA.
46. Ibid., 9.
47. See FPC release, December 16, 1946, on unprecedented demand for natural gas, Texas Eastern Corp. History Collection.
48. As of April 24, 1942, the FPC and WPB agreed to coordinate their activities to meet war-related problems of the natural gas industry.
50. Ibid., 305, 301–09.
52. Harry L. Tower to Curtis B. Dall, December 8, 1942, Tenneco, Inc., History Collection.
54. Ibid., 445.
55. Ibid., 446.
56. Dall, FDR, 124–25.
58. Ibid. Also see “The History of the Tennessee Gas and Transmission Company,” Pipe Line News (November 1944), 27–32.
60. Clyde Alexander, interview by Alan Dabney, July 3, 1962, ibid.
Notes to Chapters 3–4


68. RFC Minutes, vol. 142, November 13, 1943, NARA.

69. Ibid., vol. 145, February 12, 1944, 302, NARA.


75. The $45,157,863 included a 102-½ charge for the loan including $57,863.01 in interest and a $1.1 million premium to the RFC.


77. Memorandum describing telephone call between Jesse H. Jones and Richard Wagner, RFC Minutes, vol. 155, December 21, 1944, NARA.


83. The FPC granted a certificate for this pipeline on July 3, 1946, after Tennessee Gas resubmitted its application and showed that it could operate the extension economically. See "Tennessee Gas and Transmission Company," FPCR, docket G-660 (July 3, 1946).

84. Ibid., docket G-621, vol. 4 (June 8, 1945), 305–06.

85. Ibid., 302.

86. Ibid., 303, 304.

CHAPTER 4

1. See Arthur M. Johnson, Petroleum Pipelines and Public Policy, 1906–1959 (Cambridge: Harvard University Press, 1967), and Christopher J. Cas-
Notes to Chapter 4

4. Johnson, Petroleum Pipelines and Public Policy, 326.
5. Ibid., 345.
6. Ibid., 343–45.
7. Sidney A. Swensrud, “A Study of the Possibility of Converting the Large Diameter War Emergency Pipe Lines to Natural Gas Service after the War,” paper presented at the Petroleum Division of the American Institute of Mining & Metallurgical Engineers, New York City, February 24, 1944.
9. Ralph K. Davies, deputy petroleum administrator, officially revoked petroleum directives 63 and 73 effective November 30, 1945. These directives provided for the wartime service of the pipelines. Also see Petroleum Administration for War release, November 14, 1945, Texas Eastern Corp. History Collection.
15. Minutes of the Petroleum Reserves Corporation, February 5, 1944, entry 222, 50, NARA.
17. Ibid., 261, 265.
18. Ibid., 385.
19. Ibid., 373.

182


24. *Oil & Gas Journal*, "WAA Proceeding Cautiously Disposing of Two Big Inch Pipelines" (June 8, 1946), 57.


27. AP wire service, July 30, 1946.


35. Dugger, *The Politician*, 282. Cook had worked at the SEC between 1937 and 1945 in a number of positions, including that of utilities analyst with the public utilities division, and he subsequently became executive assistant to United States attorney general Thomas Clark in 1945 and 1946.

38. Harold I. Ickes to Charles I. Francis, October 18, 1946, Texas Eastern Corp. History Collection. Four years after this furor, George Butler joined the board of Texas Eastern.
41. Ibid.
49. J. Ross Gamble, "Notes Relative to Development on Big and Little Inch Pipe Lines," distributed to interested parties, November 8, 1946, Texas Eastern Corp. History Collection.
50. See War Assets Administration release, July 22, 1946, Texas Eastern Corp. Archives.
55. G. H. McKay to WAA, October 23, 1946, Tenneco, Inc., History Collection.
57. Letter (not dated) from War Assets Administration to Tennessee Gas in reference to PLE-1. (The company received the letter on December 3, 1946.) Tenneco, Inc., History Collection.
62. Statement of Congressman Francis E. Walter on Disposition of Big Inch Lines before House Committee on Interstate and Foreign Commerce, January 20, 1947, Texas Eastern History Collection.
64. Ray Fish, interview by Alan Dabney, April 30, 1962, ibid.
67. Ibid.; August Belmont to Christopher Castaneda, February 6, 1989.
68. Winsor Watson, History of the Texas Eastern Transmission Corporation (no date). Also see interview of James Ward Hargrove by Christopher J. Castaneda, March 31, 1988, Texas Eastern History Collection.
69. August Belmont, interview by Christopher J. Castaneda and Joseph A. Pratt, June 14, 1988, Texas Eastern Corp. History Collection.
70. War Assets Administration, Transcript of Proceedings: Proposals for Purchase of War Emergency Pipe Lines Commonly Known as Big and Little Big Inch Pipe Lines (Washington, DC: GPO, February 10, 1947), ibid.

CHAPTER 5

2. H.R. 4816 was introduced by Mr. Cole of Maryland.
3. Congressional Record, June 5, 1941, 4783.
8. See "Memo on questions propounded to Mr. J. Ross Gamble regarding the proposal of Texas Eastern Transmission Corporation for the purchase of the Big Inch and Little Big Inch Pipe Lines" and Gamble's response of February 20, 1947, Texas Eastern Corp. Archives.
20. Ibid.
23. Ibid.
32. Charles Francis to August Belmont, May 1, 1947, Texas Eastern Corp. History Collection.
35. Ibid., 279.
36. Ibid., 299.
40. Jack Head, also a member of Vinson, Elkins, Weems & Francis, would later succeed Francis as Texas Eastern’s general counsel.
42. Ibid., 4611.
Notes to Chapters 5–6

55. Petition of the Philadelphia Gas Works Company for a Declaratory Order to Remove Uncertainty, June 1, 1948, ibid.
58. Ibid., 319.

CHAPTER 6

2. Ray C. Fish, interview by Alan Dabney, April 30, 1962, Tenneco, Inc., History Collection.
6. Ibid.
8. Note that this amount was $1 million less than Transcontinental’s second bid for the Inch Lines.
10. Ibid.

188
16. Claude Williams to the FPC, February 17, 1947, ibid.
17. Leon Fuquay to Claude A. Williams, February 24, 1947, ibid.
27. Ibid., 30.
28. Ibid., 44.
29. Ibid., 45.
30. Ibid., 32.
34. Ibid., 36, 43.
35. Ibid., 43.
36. Ibid.
43. Martin Toscan Bennet, "The 'Safest Inch.'" *Engineering News-Record* (September 14, 1950).
46. Ibid., 169.
47. Ibid., 171.
49. Ibid., 33.
50. Ibid., 32.
51. Ibid., 33–34.
52. Ibid., 30.

CHAPTER 7

2. Terry, "Natural Gas for the Northeastern Seaboard."
12. Ibid.
13. Ibid., 5.
14. Ibid., 11.
20. The FPC approved the Kosciusko line application on February 26, 1951.
23. Algonquin Calendar, 6, Texas Eastern Corp. History Collection.
26. Ibid.
27. “Natural Gas—Woosh,” 204. Also see “Battle for New England,” *Time*, 60, no. 23 (December 8, 1952), 53.
28. Final Ownership: EG&FA: 36.8%; NEGCA: 34.5%; Providence Gas Company: 0.7%; Texas Eastern: 28%.
Notes to Chapter 7

34. John F. Rich to Gardiner Symonds, October 9, 1950, Texas Eastern Corp. History Collection.
35. Telegram from Gardiner Symonds to J. F. Rich, October 9, 1950, ibid.
41. Ibid., 99, 100.
44. Algonquin Calendar, 4, Texas Eastern Corp. History Collection. Also see "Battle for New England," 52.
47. Algonquin Calendar, 29, Texas Eastern Corp. History Collection.
52. Ibid., 108.
53. Ibid.
54. Algonquin Calendar, 29, Texas Eastern Corp. History Collection.
56. Algonquin Calendar, 30, 32, Texas Eastern Corp. History Collection.
Notes to Chapters 7–8

Roadblock? Why Was It Built? Will It Be Removed?"; (January 16): “From Every Angle Northeastern Can Provide All New England with the Best Natural Gas Service.”

59. Algonquin Calendar, 42, 45, Texas Eastern Corp. History Collection.
60. Tennessee Gas and other interested parties to the FPC, July 1, 1953, Tenneco, Inc., History Collection.
62. “Comments of Intervenor Trans-Canada Pipe Line Ltd. in opp. to approval of the Commission of the Terms of Settlement Proposed,” July 3, 1953, 6, Texas Eastern Corp. History Collection.
64. “FPC Lets Natural Gas Company Ship to Canada,” Business Week, 1253, no. 30 (September 5, 1953).

CHAPTER 8