

# No Western Parallel

*The Story of Questar Corporation*

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**QUESTAR**

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## Introduction

The word *utility* suggests a faceless, efficient institution, a colorless square in the game of Monopoly, an organization where few risks are taken and few competitors are tolerated.

Please don't look for those themes here. This is not a "utility" story.

The Questar companies certainly are efficient. Since 1929, the vast majority of their customers have never experienced a service interruption. But behind that almost flawless facade is a story of continuous change, of exhilarating successes and expensive failures, of great technological achievements and well-intended blunders. And behind those changes has been a succession of colorful people whose personalities are embedded in the organization we know today as Questar Corporation.

Calling Questar a utility is a bit like calling Ben Franklin a stove designer. It's a description — and a poor one at that — of one piece of a much larger puzzle.

The Questar companies trace their origins to the early years of the twentieth century, when tough, seat-of-the-pants oil prospectors such as Jack McFadyen and Charlie Hetzler were roaming the West.

There are few businesses where the stakes are higher than oil and gas exploration, where nine out of every ten wildcat wells is a failure, where work is dirty and risky, where exposure to the elements is an occupational necessity.

That climate seems to foster intense, opinionated people and this history is full of them: Bill Croft, who went back to work in a body cast less than two months after the collapse of a drilling rig almost ended his life; W.T. Nightingale, a boxer during his college days, whose feisty leadership style carried Mountain Fuel through a period of phenomenal growth; Joe Allen, a transplanted Texan, who could give you a tongue-lashing one minute then invite you to join him for a cup of coffee the next — just to show there were no hard feelings; and B.Z. Kastler, a fierce advocate of free enterprise at a time when government red tape was at its most confining.

To those who grew up in northern Utah after World War II, natural gas is a

part of the landscape, like paved streets and running water. Today, more than 90 percent of new homes, and many businesses and factories, are piped for gas.

But the people of an older generation remember when natural gas was little more than a novelty, used only by the privileged few. They vividly recall warming their hands over the wood-burning cook stove in the kitchen, or feeding coal to the giant fire-breathing octopus that lurked in the basement. They tell stories of winter days when the air was so heavy with smoke that a white shirt wouldn't stay white long enough to dry on the backyard clothesline.

Don't try, then, to judge the Questar companies using only cold figures like net income and return on equity, although, without question, they have succeeded by those measures as well. Ask yourself how their major product has affected the lives of their 650,000 customers, and everyone else who breathes the same air.

This is more than the story of a company. It is the story of a product — once regarded as a nuisance by men drilling for oil — that has helped clean up the air in our cities over the last 50 years. It is the story of the people who worked to bring that product to their customers. It is the story of emerging technology that has allowed us to build efficient, sophisticated delivery systems covering thousands of miles. It is the story of the changing West, of booming industries and blossoming cities. We hope it is a story that conveys and sustains the promise of its title, *No Western Parallel*. The phrase was first used by the *Deseret News* to describe construction of the 1929 pipeline. We believe it still applies to the Questar Corporation of today.

The Questar story begins in an area southwest of Rock Springs, Wyoming, known as the Baxter Basin. A Midwest company looking for oil found gas instead. The effort to find a market for that gas led to the formation of the company we know today as Questar Corporation.

It's a bit more complicated than that, of course. There have been several reorganizations and name changes over the years, which may be confusing to the casual reader. When the first holding company was formed in 1928, it was called Western Public Service Corporation. It had an exploration and production subsidiary, Mountain Fuel Supply Company; a pipeline subsidiary, Uinta Pipe Line Company; and several retail subsidiaries, including Ogden Gas Company, Utah Gas and Coke Company, and Wasatch Gas Company.

In 1935, the shareholders approved a reorganization that retired the

Western Public Service Corporation name and consolidated all the subsidiaries in a single company, Mountain Fuel Supply Company.

In 1984, shareholders voted to revive the holding-company structure and call it Questar Corporation. However, Mountain Fuel Supply Company survived for another 14 years as the name of Questar's retail subsidiary. That link with the past finally was broken in January 1998 when Mountain Fuel was renamed Questar Gas.

While keeping the Mountain Fuel name may have given comfort to the customer, it may be difficult for the reader to follow. Depending on when it appears, the name Mountain Fuel may apply only to the company's exploration and production operations (1928–35), to the company as a whole (1935–84), or strictly to the retail distribution operations (1984–97). Please keep that in mind as you travel through time in these pages.

As this book was going to press, Questar's nonregulated domestic exploration and production subsidiaries, Celsius Energy Company and Universal Resources Corporation, announced plans to merge and also assume the Questar mantle — as Questar Exploration and Production Company.

This book couldn't have been written without the enthusiastic involvement of a large number of current and former company employees. They have provided information, photographs, and delightful anecdotes. Among this group, two people stand out. One is a former Mountain Fuel president and chairman of the board, M.M. "Fid" Fidler. Fid died in 1991, before this project began. However, he kept meticulous journals during his years with the company and recorded some charming recollections, which are excerpted throughout the book. The other person is Harold Simpson, former director of public relations for Mountain Fuel. Harold started the first company newsletter in 1957 and, in doing so, created a detailed record of the development of the company from that point. He also wrote the first (unpublished) company history, which set the stage for this book.

This project was not designed to appeal to the vanity of anyone within the Questar organization or to sell more shares of Questar stock. It is a straightforward, not-always-flattering account of the evolution of the Questar organization. The writer was given access to all but the most confidential files and allowed to ask the most impertinent questions. The people who reviewed these chapters made a conscious effort to leave the blemishes intact.

Read on. You may recognize somebody you know.