

A regular meeting of the City Council was held in the Council Chamber, City Hall, on Wednesday, July 12, 1950, at 11 o'clock a.m., with Mayor Shaw presiding, and Councilmen Aitken, Albea, Boyd, Coddington, Daughtry, Jordan and Wilkinson present.

INVOCATION.

The invocation was given by Councilman Claude L. Albea.

MINUTES APPROVED.

Upon motion of Councilman Jordan, seconded by Councilman Daughtry, and unanimously carried, the minutes of the last meeting, on July 5th, were approved as submitted.

CONSIDERATION DEFERRED ON ORDINANCE GRANTING FRANCHISE TO PIEDMONT NATURAL GAS COMPANY, INC. RIGHT TO USE PUBLIC PLACES AND WAYS IN CHARLOTTE FOR CONSTRUCTING, OPERATING AND MAINTAINING A NATURAL GAS UTILITY FOR TRANSMITTING, DISTRIBUTING AND SELLING GAS WITHIN SAID CITY, AND GRANTING DUKE POWER COMPANY PRIVILEGE OF TRANSFERRING ITS GAS FRANCHISE TO PIEDMONT NATURAL GAS COMPANY.

Mr. Robert Lassiter, Jr., representing the Carolina Natural Gas Company, stated he wished to comment on the applications of Piedmont Natural Gas Company, Inc., for franchise to operate a natural gas utility and of Duke Power Company for privilege of transferring its gas franchise to Piedmont Natural Gas Company, in order that the Council may be better able to make a decision that will be in the public interest.

Mr. Lassiter gave the following information regarding the Carolina Natural Gas Company which he represents:

The Carolina Natural Gas Company is composed of stockholders who are all residents of North and South Carolina. The Company has applied for a Certificate of Public Convenience and Necessity authorizing them to transport natural gas to the distribution systems of approximately 28 cities in North and South Carolina. The Company's function will be to construct and operate pipelines connecting with the cities' distribution systems. They propose to spend \$10,000,000 to construct lines to carry gas. The Company will not own the distributing systems, but will buy and transport for sale at the city gates to supply the needs of North and South Carolina. Included in this service will be the sale of gas to industrial customers, not to just one or even a few in discrimination against other industries. The Company proposes to sell 5,609,500,000 cubic feet of gas during the first year and 6,509,500,000 cubic feet in subsequent years.

Mr. Lassiter stated his Company does not feel the proposal of the Piedmont Natural Gas Company is in the public interest to buy the distribution systems in six North Carolina cities and two South Carolina cities and supply them and connect their systems to the pipelines of Transcontinental Gas Pipe Line Corp. That by their own figures they propose to supply only 5,000,000 cubic feet of gas per day for the first year and a maximum of 22,000,000 cubic feet in the third year through the twentieth year. That these quantities of gas are insufficient to meet the needs of these cities and will result in a deficiency for Charlotte even during the first year, and from the third through twentieth year a deficiency of 17,200,000 cubic feet. He advised that the study by the engineers for Carolina Natural Gas Corp. indicates Charlotte's requirements for the first year will be 4,150,000 cubic feet per day and 9,280,000 cubic feet per day in the fifth year. Too, that Piedmont proposes to sell 93% of all gas transported to this area to Duke Power Company for the replacement of coal in its steam plants, and the Duke Power Company will be their only industrial customer for interruptible sales of gas.

Mr. Lassiter urged that the proposed ordinance granting a franchise to Piedmont Natural Gas Company to operate a gas utility and the transfer of Duke Power Company's gas franchise to Piedmont, not be adopted at this time, but deferred until the completion of the hearings before the Federal Power Commission, which began today, and that the Council in the interim make a study of municipal ownership of the natural gas system.

Mr. Thomas Glasgow spoke on behalf of the Wholesale Appliance Dealers, expressing strong opposition to the City granting a franchise to Piedmont Natural Gas Company to permit them to engage in the sale of appliances which will result in unfair competition to local appliance dealers and present unfair trade practice through such monopoly. He stated further he favored bringing natural gas to Charlotte, but urged that the clause be stricken from the franchise that would permit Piedmont, or any other company, from selling gas appliances.

Similar objections were expressed by Mr. Geo. H. Talbot, Merchant handling such appliances, and Mr. J. M. Clarke.

A petition from the Charlotte Plumbing & Heating Contractors, signed by nineteen licensed contractors, and a letter from the North Carolina Asso. of Plumbing and Heating Contractors, were presented by Mr. R. S. Hunt, Executive Secretary of the State Asso., expressing objection to the sale and distribution of gas heating equipment and appliances, and their installation other than by licensed contractors trained to best serve the health and welfare of the public in such installations. He stated these organizations favored bringing natural gas to the area, and are well equipped to handle the work load if and when it is brought to Charlotte. Mr. Hunt asked that the franchise not be granted any company that contains this privilege.

Mr. H. I. McDougle, Attorney, representing the Retail Appliance and Furniture Dealers of the Charlotte Merchants Association, stated there is nothing in the franchise of Piedmont Natural Gas Company, as shown to him by the Company's attorney, regarding the sale of appliances; that his clients do not invite competition but do not fear it if it is carried on on a fair and equal basis. That the Piedmont Company's representatives have assured him that no unfair practices in the sale of such appliances will be carried on, and their sales of appliances will be handled separately.

In reply to the question of Councilman Aitken as to the Council's authority to restrain any company from selling an article or commodity, the City Attorney stated the franchise does not refer to the sale of appliances; that the Council would only approve a franchise for the use of the City streets for gas pipe lines, et cetera, and the franchise would then be presented for final action to the North Carolina Utilities Commission. He further stated the Council could insert a clause in the franchise that the Piedmont Natural Gas Co. not enter into the retail sale of appliances.

Mr. C. W. Tillett, Attorney, representing Piedmont Natural Gas Company, spoke first with regard to the sale of appliances by his company. He stated he did not believe the Council can regulate trade and competition in trade; that the authority of the Council is defined in the Charter; that the Company has made no public pronouncement that they will engage in the sale of appliances on a cut-throat basis. That the Company expects to sell gas appliances only in order that they be available to the public at all times.

Mr. Tillett then requested Mr. W. S. O'B. Robinson, Attorney for Duke Power Company to reply to Mr. Lassiter's remarks relative to the contract between the Power Company and the Piedmont Company for purchases of interruptible gas. Mr. Robinson stated the Duke Power Company wishes to be able to use natural gas when the supply is sufficient and in case of a shortage of fuel, and, therefore, may build connecting lines to the gas pipeline. That they are only interested in interruptible gas, not primary gas, and their use would not affect the supply to Charlotte and other cities; their supply would be obtainable only after the cities are supplied. That Duke Power Company required the Piedmont Company to have a contract with Transcontinental Gas Pipe Line Corp. to supply them gas before the Power Company would contract with the Piedmont Company for surplus gas.

Mr. Tillett addressed the Council with regard to the statements of Mr. Lassiter relative to the inadequacy of the supply of gas under their franchise. He stated that the Company's calculations with regard to supply and demand have been made by a competent firm; that the entire matter rests with the Federal Power Commission, which will base its decision on the adequacy of gas for a community; that the Piedmont Company has a definite understanding with Transcontinental for an amount of gas sufficient for the needs for three years. That the Carolina Natural Gas Corp. is not applying for a franchise to supply natural gas to this area, but they are only trying to confuse the issue and make Charlotte consumers pay twelve cents more for gas in order that they may supply other cities. That the pipe line will run twelve miles from Mt. Holly and Piedmont will build lines to bring the gas into Charlotte; that the Carolina Company is trying to secure a franchise to only carry gas from the pipe line into the city, in order to secure their "take", which will run up the price of gas. That Piedmont will have a manufacturing company here in Charlotte to take care of any deficiency in gas supply - Carolina Company will not have a distribution system.

Councilman Boyd asked why it is imperative to Piedmont that action be taken by the Council today?

Mr. Tillett replied that the City has been working on securing natural gas for two years and now that the opportunity to secure this natural resource has arrived, it should not be delayed, due to the fact if war should develop steel could be frozen and Piedmont would be unable to build the line to Mt. Holly.

Mayor Shaw asked that he be permitted to state that since there has been so much discussion about the Council prohibiting the parties applying for the gas franchise from selling appliances, that he felt the Council would not approve this action.

Councilman Albea stated he was ready to vote in favor of the Piedmont Company's request with the restriction as to the sale of appliances; that he was not in favor of approving anything that will adversely affect established business firms.

Councilman Boyd moved that action on the question be deferred. Motion was seconded by Councilman Baughtry, and unanimously carried.

ORDINANCE RELATIVE TO ADOPTION OF THE APPROPRIATION BUDGET OF THE CITY OF CHARLOTTE FOR THE FISCAL YEAR 1950-51.

An ordinance entitled, "Ordinance Relative to Adoption of the Appropriation Budget of the City of Charlotte for the fiscal year 1950-51" was introduced and read. Councilman Aitken moved the adoption of the ordinance. Motion was seconded by Councilman Wilkinson, and unanimously carried. Ordinance is recorded in full in Ordinance Book 11, at Pages 159-160.

RESOLUTION PROVIDING FOR A PUBLIC HEARING ON AUGUST 2nd ON AMENDMENT TO THE ZONING ORDINANCE.

An ordinance entitled, "Ordinance (No. 114) Amending the City Code with Respect to the Zoning Ordinance", to change the Building Zone Map from R-2 to B-1 zone on property at the southwest corner of Shuman Avenue and Wilmont Road, was introduced and read. Following which a Resolution Providing for a Public Hearing on August 2nd, was presented and read, and upon motion of Councilman Aitken, seconded by Councilman Wilkinson, was unanimously carried. Resolution is recorded in full in Resolutions Book 1, at Page 300.

CONSTRUCTION OF TRUNK SEWER AND MAIN IN EAST FIFTH STREET AUTHORIZED.

Upon motion of Councilman Jordan, seconded by Councilman Aitken, and unanimously carried, the construction of 272-feet of trunk sewer and main in East Fifth Street, at an estimated cost of \$660.00, was authorized, at request of Ervin Construction Company, with all costs to be borne by the City and deposit of \$100.00 to be refunded as per contract.

CONSTRUCTION OF DRIVEWAY ENTRANCES AUTHORIZED.

Upon motion of Councilman Wilkinson, and seconded by Councilman Aitken, and unanimously carried, the following driveway entrances were authorized constructed:

- (a) Two 30-ft. drives, one on S. Summit Ave. and the other on West Morehead Street, to serve Coble Dairy at the intersection of Summit and Morehead Streets.
- (b) Two 30-ft. drives on Hawthorne Lane and One 30-ft. drive at 1701 East 7th Street, to serve Crown Oil Company, located at the intersection of Hawthorne Lane and E. 7th St.
- (c) One 9-ft. drive at 927 Romany Road.
- (d) One 30-ft. drive at 501 West Morehead Street.
- (e) One 12-ft. drive at 2200 Rozzell's Ferry Road.
- (f) One 12-ft. drive at 2017 Radcliff Avenue.
- (g) One 9-ft. drive at 2740 Hampton Avenue.
- (h) One 12-ft. drive at 1701 Union Street.
- (i) One 8-ft. drive at 809 Mt. Vernon Avenue.
- (j) Two 8-ft. drives at 1815 Peachtree Street.
- (k) One 30-ft. drive on Hutchinson Ave. at intersection of Hutchinson Ave. and Dalton Ave.

SPECIAL OFFICER PERMITS RENEWED.

Councilman Coddington moved that Special Officer Permits be renewed to John H. Holden, D. L. Jordan and Henry D. Price, on the premises of the City's Cemeteries. Motion was seconded by Councilman Jordan, and unanimously carried.

REPORT OF LEASE OF AIRPORT BUILDINGS.

The City Manager reported that leases had been concluded on the following buildings at Douglas Municipal Airport:

BUILDING NO.	LESSEE	MONTHLY RENTAL	DATE AND TERM OF LEASE
88 (east end)	Thurston Motor Lines	\$86.40	7-1-50 1 year
59 (east end)	Daniel Boone Repair Shop	5.00	7-1-50 1 year

CEMETERY PLOTS AUTHORIZED TRANSFERRED.

Upon motion of Councilman Jordan, seconded by Councilman Coddington and unanimously carried, the Mayor and City Clerk were authorized to execute the following deeds for the transfer of cemetery lots:

- (a) Deed to Chriss C. Harrison, for Lot B, in front of rows 5 and 6, in Section A, North Pinewood Cemetery, at \$81.90.
- (b) Deed to Miss Mattie Ward, for Perpetual Care on Lot XX, in Section U, Elmwood Cemetery, at \$30.00.
- (c) Duplicate deed to T. M. Tycroft, for Lot 46, Section Q, Elmwood Cemetery - cost of issuing duplicate \$1.00.

ADJOURNMENT.

Upon motion of Councilman Jordan, seconded by Councilman Daughtry, and unanimously carried, the meeting was adjourned.

Lillian R. Hoffman
City Clerk