

Quarterly Review

Selected Financial and Operational Data:

Re:

Electric Companies

- *Carolina Power & Light Company*
- *Duke Power Company*
- *Nantahala Power and Light Company*
- *North Carolina Power*

Natural Gas Local Distribution Companies

- *North Carolina Gas Service, Division of NUI*
- *North Carolina Natural Gas Corporation*
- *Piedmont Natural Gas Company, Inc.*
- *Public Service Company of North Carolina, Inc.*

Telecommunications Companies

- *ALLTEL Carolina, Inc.*
- *BellSouth Telecommunications, Inc.*
- *Carolina Telephone and Telegraph Company*
- *Central Telephone Company*
- *Citizens Telephone Company*
- *Concord Telephone Company*
- *GTE South Incorporated*
- *Lexington Telephone Company*
- *MEBTEL Communications*
- *North State Telephone Company*

■ ***Quarter Ending December 31, 1997*** ■

Table of Contents

Part		Page
I	<i>Introduction</i>	1
II	<i>Review of Key Financial Ratios:</i>	6
	▣ <i>Summary Statement of Key Financial Ratios For 18 Selected Companies For The Twelve Months Ended December 31, 1997 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios</i>	7
	▣ <i>Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By <u>Public Utilities Reports</u>, Volume Nos. 168-184, from April 1996 Through March 1998</i>	10
III	<i>Overviews of Selected Financial and Operational Data:</i>	12
	▣ <i>Electric Companies:</i>	
	▪ <i>Carolina Power & Light Company</i>	13
	▪ <i>Duke Power Company</i>	14
	▪ <i>Nantahala Power and Light Company</i>	15
	▪ <i>North Carolina Power</i>	16
	▣ <i>Natural Gas Local Distribution Companies:</i>	
	▪ <i>North Carolina Gas Service, Division of NUI</i>	17
	▪ <i>North Carolina Natural Gas Corporation</i>	18
	▪ <i>Piedmont Natural Gas Company, Inc.</i>	19
	▪ <i>Public Service Company of North Carolina, Inc.</i>	20
	▣ <i>Telecommunications Companies:</i>	
	▪ <i>ALLTEL Carolina, Inc.</i>	21
	▪ <i>BellSouth Telecommunications, Inc.</i>	22
	▪ <i>Carolina Telephone and Telegraph Company</i>	23
	▪ <i>Central Telephone Company</i>	24

Table of Contents — continued

<i>Part</i>		<i>Page</i>
III	<i>Overviews of Selected Financial and Operational Data — continued:</i>	
	▣ <i>Telecommunications Companies — continued:</i>	
	▪ <i>Citizens Telephone Company</i>	25
	▪ <i>Concord Telephone Company</i>	26
	▪ <i>GTE South Incorporated</i>	27
	▪ <i>Lexington Telephone Company</i>	28
	▪ <i>MEBTEL Communications</i>	29
	▪ <i>North State Telephone Company</i>	30
IV	<i>Appendix A - Distribution List</i>	

Part I

Introduction

- ▣ ***The purpose, structure, focus, and an abbreviated synopsis of the nature of the contents of this report is presented here.***

The *Quarterly Review* has been designed and is structured so as to provide, in a clear and concise format, relevant and useful financial and operational information pertaining to 18 major investor-owned public utilities regulated by the North Carolina Utilities Commission (Commission): four electric companies, four natural gas local distribution companies, and ten telecommunications companies. The primary focus of this report is one of a jurisdictional financial nature. However, albeit limited, certain jurisdictional operational information is also included.

To a vast extent the information presented herein is organized into individual company overviews. The data presented covers a period of five years. From a general viewpoint, such overviews provide information that users of this report will find helpful from the standpoint of gaining insight into each company's jurisdictional financial standing and in acquiring a sense of the magnitude of each company's overall jurisdictional economic dimension.

This report has been prepared solely for the use of the Commission. The responsibility for developing and preparing the report is that of the Commission's Operations Division (Division). The preponderance of the information and data included in and/or on which the report is based has been provided by the companies. Such data has not been audited or otherwise verified. Therefore, the Division, although it believes the aforesaid data to be true and correct in each and every respect, cannot and does not offer any attestation in that regard.

A Specific Objective

A specific objective of this reporting process is to present to the Commission, on an ongoing basis, meaningful information regarding the financial viability of the subject companies, including the reasonableness of the overall levels of rates and charges currently being charged by jurisdictional utilities, whose rates are cost based, for their sales of services. Cost based regulation is synonymous with rate base, rate of return regulation.

Under rate base, rate of return regulation, the cost of service of a public utility is defined as the sum total of reasonable operating expenses, depreciation, taxes, and a reasonable return on the net valuation of property used and useful in providing public utility services. Therefore, the reasonableness of a public utility's rates is a function of the reasonableness of the level of each individual component of its cost of service.

The reasonable return component of the cost of service equation refers to the overall rate of return related to investment funded by all investors, including debt investors as well as preferred and common equity investors. The costs of debt capital and preferred stock, which are essentially fixed by contract, must be deducted from revenue, like all other components of the cost of service, in determining income available for distribution to common stockholders. Therefore, generally speaking, a very meaningful measure of the profitability

of any utility, and consequently the reasonableness of its overall rates and charges, is the return earned on its common shareholders' investment, i.e., its return on common equity, over some specified period of time. Typically, such returns are measured over a period of one year. Thus, annual returns on common equity and certain other key financial ratios, which among other things give significant perspective to the common equity returns, are the focal points of this report.

The Key Financial Ratios

Specifically, the key financial ratios presented herein for use in reviewing the companies' financial viabilities, including their profitability and consequently the reasonableness of their rates and charges are (1) the return on common equity, (2) the common equity capitalization ratio, (3) the pre-tax interest coverage ratio, and (4) the overall rate of return.

The Return on Common Equity

As indicated, the return on common equity is a key financial indicator which measures the profitability of an enterprise from the standpoint of its common stockholders over some specified period of time. That return or earnings rate reflects the ratio of earnings available for common equity to the common-equity investors' capital investment. As previously stated, the ratio is significant because it traditionally represents profitability after all revenues and costs, other than the cost of common equity capital, have been considered. From the standpoint of measuring profitability, return on common equity is indeed "the bottom line".

The Common Equity Capitalization Ratio

The common equity capitalization ratio is the ratio of common equity capital to total investor-supplied capital of the firm. That ratio is significant because it is a major indicator of the financial riskiness of the firm, particularly from the standpoint of the common stockholders. The issuance of debt capital, assuming no offsetting decrease in preferred stock, decreases the common equity capitalization ratio, and its existence creates what has come to be known as financial leverage. The risk borne by shareholders that accompanies that leverage is known as financial risk. As the proportion of debt in the capital structure increases, so does the degree of financial leverage and thus shareholders' risk and consequently the shareholders' requirements regarding expected return, i.e., the expected return on common equity or, in regulatory jargon, the cost of common equity capital.

Alternatively, the financial riskiness of the firm, some might argue, is more appropriately revealed when expressed in terms of debt leverage, particularly when preferred stock is present in the capital structure. Such leverage is the ratio of long-term debt capital to total investor-supplied capital. Both approaches are clearly insightful and useful. In evaluating the superiority of one approach in comparison to the other, one should consider the

context within which the information is to be used. Since a major objective of this report is to review the reasonableness of the levels of earnings of the companies' common stockholders, and in consideration of the other key financial benchmarks which are also presented herein, the common equity capitalization ratio appears to be the most appropriate and meaningful measure of the financial riskiness of the companies for use in this regard.

The Pre-tax Interest Coverage Ratio

The pre-tax interest coverage ratio is the number of times earnings, determined before consideration of income taxes and interest charges, cover annual interest charges. That financial indicator is particularly important to debt investors because holders of the company's outstanding debt, including long-term bonds, receive interest payments from the company before any earnings are determined to be available for distribution to preferred or common equity investors. Pre-tax interest coverage is measured before income taxes because interest expense is deductible in arriving at taxable income. Therefore, generally speaking, debt holders can expect to be paid before the company incurs any liability for the payment of income taxes. From the debt holder's perspective, all other things remaining equal, the higher the pre-tax interest coverage the better.

The Overall Rate of Return

The overall rate of return measures the profitability of a firm from the standpoint of earnings on total investment, including investment funded by both debt and equity investors. Specifically, in the public utility regulatory environment, it is the ratio of operating income to total investment.

The Propriety of The Methodology

The foregoing financial benchmarks, as presented in this report, have been determined on the basis of the companies' actual operating experience. For rate making purposes, North Carolina statutes require that the companies' rates be determined on a normalized, pro forma, end-of-period basis based upon a historical test year. Stated alternatively, the Commission, in setting prospective rates, essentially, must take into account the company's current level of operations adjusted for known and material changes in the levels of revenues and costs that the company can reasonably be expected to experience over a reasonable period of time into the future. Thus, rates, which are established for use prospectively, are set, to a certain extent and within certain constraints, on the basis of revenue and cost expectations, including investor expectations regarding their return requirements, as opposed to simply setting prospective rates solely on the basis of actual operating experience.

The process of setting prospective rates is inherently and exceedingly time consuming, difficult, and otherwise costly to both companies and regulators. It involves the assimilation, investigation, and evaluation of enormous amounts of complex information and data which invariably leads to multifarious issues; many, if not most, of which must be resolved through adjudication.

It is far less difficult and costly to perform an intellectual, financial analysis of the need to undertake the aforesaid process. Such preliminary analysis avoids the unnecessary incursion of the immense costs of setting prospective rates. Those are precisely the reasons why this report is focused on a review of the returns on common equity and other key financial ratios which the companies are currently earning or achieving under their existing rates and charges. Those ratios, when considered in conjunction with statutory rate making requirements, prevailing economic conditions, and certain other financial indicators, including returns on common equity and overall rates of return currently being authorized by other public utility regulatory agencies, are meaningful indicators of the need, if any, for further, more extensive regulatory review.

From the standpoint of giving a measure of meaning to the aforesaid ratios of the individual companies and in the interest of providing a sense of current financial market conditions, certain financial information has been included herein as notes to the first statement included in Part II of this report. Such notes are an integral part of this report. Additionally, also from the standpoint of providing perspective, returns on common equity and overall rates of return currently being authorized by a number of other public utility regulatory agencies are provided in the second statement presented in Part II.

A Final Note

It is emphasized that the information contained in this report is not intended and should not be construed to be all inclusive from the standpoint of the criteria to be used in assessing the reasonableness of the companies existing rates. But rather, it is submitted that such information is clearly relevant to such a determination and as such should be considered in conjunction with all other pertinent information and data.

The Operations Division will be pleased to respond to any questions or comments.

Part II

A Review of Key Financial Ratios

- ▣ ***Summary Statement of Key Financial Ratios For 18 Selected Companies For The Twelve Months Ended December 31, 1997 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios***

- ▣ ***Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By Public Utilities Reports, Volume Nos. 168-184, from April 1996 Through March 1998***

**Summary Statement of Key
Financial Ratios Earned Or Achieved by Selected Companies**

**"Estimated Returns on Common Equity, Overall Rates of Return,
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios"**

**(Twelve Months Ended December 31, 1997, Except for Certain
Telecommunications Companies - See Note [1])**

Line No.	Item (a)	Return on Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Pre-tax Interest Coverage Ratio (e)
<i>Electric Companies</i>					
1.	Carolina Power & Light Company	12.00%	9.55%	54.89%	4.95
2.	Duke Power Company	11.45%	9.62%	54.25%	4.90
3.	Nantahala Power and Light Company	10.43%	8.89%	48.61%	3.19
4.	North Carolina Power	12.22%	9.62%	47.38%	4.00
<i>Natural Gas Local Distribution Companies</i>					
5.	North Carolina Gas Service, Division of NUI	N/A	N/A	N/A	N/A
6.	North Carolina Natural Gas Corporation	13.59%	11.35%	60.40%	5.24
7.	Piedmont Natural Gas Company, Inc.	13.20%	10.60%	50.85%	3.82
8.	Public Service Company of North Carolina, Inc.	11.94%	9.88%	48.31%	3.27
<i>Telecommunications Companies</i>					
9.	ALLTEL Carolina, Inc.	20.90%	15.71%	60.78%	7.63
10.	BellSouth Telecommunications, Inc. *	16.15%	11.95%	57.38%	7.30
11.	Carolina Telephone and Telegraph Company *	16.59%	12.53%	60.75%	7.65
12.	Central Telephone Company *	12.60%	12.60%	88.21%	12.61
13.	Citizens Telephone Company	17.06%	13.01%	54.90%	4.73
14.	Concord Telephone Company *	22.92%	20.39%	84.96%	42.30
15.	GTE South Incorporated *	8.62%	8.73%	63.23%	3.56
16.	Lexington Telephone Company	5.19%	5.80%	79.13%	9.81
17.	MEBTEL Communications	23.94%	15.01%	49.89%	7.08
18.	North State Telephone Company	18.04%	17.47%	94.99%	123.19

NOTES:

[1] Companies electing price regulation are denoted above with an asterisk. For those companies, with the exception of Concord Telephone Company, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996; therefore, the data for such companies included herein is updated annually beginning with the calendar year 1996. Regarding Concord Telephone Company, which has more recently elected price regulation, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1997. Thus, the data for Concord will be updated annually beginning with the calendar year 1997.

[2] Information presented is on a North Carolina jurisdictional basis except for MEBTEL Communications and North State Telephone Company which are presented on a total company basis.

[3] N/A denotes that current data for North Carolina Gas Service, Division of NUI, is not available due to on-going changes occurring within the Company's internal operational structure.

**Summary Statement of Key
Financial Ratios Earned Or Achieved by Selected Companies**

**"Estimated Returns on Common Equity, Overall Rates of Return,
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios"
"continued"**

(Twelve Months Ended December 31, 1997)

NOTES - continued

NOTES: [4] Standard and Poor's 1994 annual "Global Sector Review" reflects the following benchmark-ratio ranges for total debt capitalization ratios and pre-tax interest coverage ratios for electric utilities and natural gas local distribution companies; telecommunications utilities are not included in that publication:

Line No.	Item (a)	RANGE	
		BONDS RATED "AA" (b)	BONDS RATED "A" (c)
1.	Electric utilities:		
2.	Pre-tax interest coverage ratio (times)	3.50 - 4.00	2.75 - 4.50
3.	Total debt ratio (%)	42.00 - 47.00	41.00 - 52.00
4.	Natural gas local distribution companies:		
5.	Pre-tax interest coverage ratio (times)	3.75 - 4.25	3.00 - 4.25
6.	Total debt ratio (%)	41.00 - 46.00	42.00 - 51.00

[5] Selected financial market indicators from "Moody's Credit Perspectives", Volume 91, No. 12, March 23, 1998 follow:

Part I

Line No.	Date (a)	U.S. Treasury Securities			Dealer-Placed	Moody's
		3-Month Bill % (b)	10-Year Note % (c)	30-Year Bond % (d)	3-Month CP % (e)	Long-Term Corporate Bond Yield % (f)
1.	March 19, 1998	5.04	5.57	5.89	5.50	6.97
2.	Month of February 1998	5.09	5.56	5.88	5.46	6.95
3.	Month of January 1998	5.04	5.53	5.81	5.45	6.89
4.	Past 12 Months:					
5.	Average	5.07	6.19	6.46	5.59	7.41
6.	Low	4.79	5.36	5.69	5.37	6.89
7.	High	5.32	6.97	7.17	5.77	7.99

Part II

Moody's public utility long-term bond yield averages (%):

Line No.	Rating (a)	03/19/98 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	Feb. 1998 (e)	Jan. 1998 (f)
1.	Aaa	6.93	7.87	6.85	6.91	6.85
2.	Aa	7.01	8.00	6.94	6.99	6.94
3.	A	7.14	8.03	7.05	7.12	7.05

**Summary Statement of Key
Financial Ratios Earned Or Achieved by Selected Companies**

**"Estimated Returns on Common Equity, Overall Rates of Return,
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios"
"continued"**

(Twelve Months Ended December 31, 1997)

NOTES - continued

NOTES: [6] Selected financial market indicators from "Moody's Credit Perspectives", Volume 91, No. 12, March 23, 1998 follow - continued:

Part III

New offerings by public utilities - listing is all inclusive for week of March 23, 1998:

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield		Rating (f)
				Current (d)	Maturity (e)	
1.	North States Power Co.	\$100 Million	5 Years	5.875%	5.91%	Aa3
2.	North States Power Co.	\$150 Million	30 Years	6.50%	6.59%	Aa3

**Statement of Authorized Returns
On Common Equity and Overall Rates of Return
Granted By Various Public Utility Regulatory Agencies As Reported In
Public Utilities Reports, Volume Nos. 168-184, from April 1996 through March 1998**

(Statement is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns		Date Of Order (d)	Volume No. Public Utilities Reports (e)
		Common Equity (b)	Overall (c)		
Electric Companies					
1.	Cleveland Electric Illuminating Company (OH)	12.59%	10.06%	4/11/96	Volume 168
2.	Toledo Edison Company (OH)	12.59%	10.06%	4/11/96	Volume 168
3.	PacifiCorp, dba Pacific Power and Light Co. (OR)	N/A	N/A	7/10/96	Volume 171
4.	PSI Energy, Inc. (IN)	11.00%	8.21%	9/27/96	Volume 173
5.	Hawaii Electric Light Company, Inc. (HI)	11.62%	9.34%	4/2/97	Volume 178
6.	Green Mountain Power Corporation (VT)	11.25%	N/A	2/27/98	Volume 184
Natural Gas Local Distribution Companies					
7.	Montana-Dakota Utilities Company (MT)	12.00%	10.913%	4/11/96	Volume 168
8.	Minnegasco, a Div. of NorAm Energy Corp. (MN)	11.00%	9.76%	6/10/96	Volume 170
9.	Western Resources, Inc.(KS)	10.50%	8.93%	4/13/96	Volume 171
10.	Northern States Power Company (ND)	12.00%	9.405%	8/7/96	Volume 171
11.	Laclede Gas Company (MO)	11.00%	N/A	8/28/96	Volume 172
12.	PNM Gas Services, a Div. of Public Ser. Co. of N.M.	11.00%	9.17%	2/13/97	Volume 176
13.	Michigan Gas Utilities (MI)	10.75%	8.42%	3/27/97	Volume 177
Telecommunications Companies					
14.	U S West Communications, Inc. (WA)	11.30%	9.367%	4/11/96	Volume 169
15.	U S West Communications, Inc., (OR)	10.20%	N/A	5/19/97	Volume 178
16.	U S West Communications, Inc. (ID)	11.20%	9.43%	8/12/97	Volume 179
17.	Vermont Telephone Company, Inc. (VT)	11.90%	10.18%	11/10/97	Volume 182
18.	U S West Communications, Inc. (UT)	11.50%	9.76%	12/4/97	Volume 183

**Statement of Authorized Returns
On Common Equity and Overall Rates of Return
Granted By Various Public Utility Regulatory Agencies As Reported In
Public Utilities Reports, Volume Nos. 168-184, from April 1996 through March 1998**

(Statement is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns		Date Of Order (d)	Volume No. Public Utilities Reports (e)
		Common Equity (b)	Overall (c)		
Water Companies					
19.	Indiana-American Water Company, Inc. (IN)	11.00%	N/A	5/30/96	Volume 169
20.	Citizens Utilities Water Company of Penn. (PA)	10.80%	8.83%	3/29/96	Volume 169
21.	Venture Associates Utilities Corp. (FL)	10.35%	N/A	6/18/96	Volume 170
22.	San Gabriel Valley Water Company (CA)	10.30%	9.73-10.03%	7/17/96	Volume 171
23.	Kentucky-American Water Company (KY)	13.00%	N/A	7/31/96	Volume 172
24.	Prudence Island Utilities Corporation (RI)	10.9%	N/A	2/14/97	Volume 176
25.	Princeville Utilities Company, Inc. (HI)	N/A	10.00%	11/4/97	Volume 181
26.	United Water Pennsylvania, Inc. (PA)	11.00%	N/A	1/30/98	Volume 184

NOTE: N/A denotes that information is not available.

Part III

Overviews of Selected Financial and Operational Data By Utility:

- ▣ ***Electric Companies***
 - ***Carolina Power & Light Company***
 - ***Duke Power Company***
 - ***Nantahala Power and Light Company***
 - ***North Carolina Power***

- ▣ ***Natural Gas Local Distribution Companies***
 - ***North Carolina Gas Service, Division of NUI***
 - ***North Carolina Natural Gas Corporation***
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- ▣ ***Telecommunications Companies***
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 - ***MEBTEL Communications***
 - ***North State Telephone Company***

CAROLINA POWER & LIGHT COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,164,479	\$2,096,808	\$2,066,125	\$1,982,193	\$1,980,129	2.25%	3.13%
2.	Operating Expenses:							
3.	Fuel	382,948	329,944	351,648	329,930	353,363	2.03%	16.06%
4.	Purchased Power	275,811	270,231	267,242	263,345	235,359	4.04%	2.06%
5.	Maintenance	126,513	152,921	136,355	141,959	162,300	-6.04%	-17.27%
6.	Other Operating Expenses	<u>348,809</u>	<u>372,189</u>	<u>389,802</u>	<u>372,454</u>	<u>344,032</u>	<u>0.35%</u>	<u>-8.28%</u>
7.	Total Operating Expenses	1,134,081	1,125,285	1,145,047	1,107,688	1,095,054	0.88%	0.78%
8.	Depreciation & Amortization	<u>366,923</u>	<u>288,079</u>	<u>271,863</u>	<u>289,602</u>	<u>294,320</u>	<u>5.67%</u>	<u>27.37%</u>
9.	Total Expenses & Depreciation	1,501,004	1,413,364	1,416,910	1,397,290	1,389,374	1.95%	6.20%
10.	Total Operating Taxes	<u>297,551</u>	<u>304,858</u>	<u>291,909</u>	<u>248,167</u>	<u>243,339</u>	<u>5.16%</u>	<u>-2.40%</u>
11.	Total Expenses, Depr. & Taxes	<u>1,798,555</u>	<u>1,718,222</u>	<u>1,708,819</u>	<u>1,645,457</u>	<u>1,632,713</u>	<u>2.45%</u>	<u>4.68%</u>
12.	Operating Income	<u>\$365,924</u>	<u>\$380,586</u>	<u>\$357,306</u>	<u>\$336,736</u>	<u>\$347,416</u>	<u>1.31%</u>	<u>-3.85%</u>
13.	Net Plant Investment	<u>\$4,337,812</u>	<u>\$4,254,170</u>	<u>\$4,313,433</u>	<u>\$4,273,209</u>	<u>\$4,187,269</u>	<u>0.89%</u>	<u>1.97%</u>
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14.	Oper. Exp. as a % of Total Revenue	52.40%	53.62%	55.42%	55.88%	55.30%	-1.34%	-2.28%
15.	Net Plt. Investment per \$ of Revenue	\$2.00	\$2.03	\$2.09	\$2.16	\$2.11	-1.33%	-1.48%
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16.	Number of Customers Served:							
17.	Residential	842	817	795	771	751	2.90%	3.06%
18.	Commercial	145	140	133	130	126	3.57%	3.57%
19.	Industrial	4	4	4	4	4	0.00%	0.00%
20.	Other	2	2	2	2	2	0.00%	0.00%
21.	Total Number of Customers	<u>993</u>	<u>963</u>	<u>934</u>	<u>907</u>	<u>883</u>	<u>2.98%</u>	<u>3.12%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	10,568	10,843	10,092	9,549	9,657	2.28%	-2.54%
24.	Commercial	8,475	8,237	7,787	7,387	7,263	3.93%	2.89%
25.	Industrial	11,580	11,205	10,961	10,870	10,376	2.74%	3.17%
26.	Other	<u>5,454</u>	<u>4,188</u>	<u>3,814</u>	<u>1,677</u>	<u>1,353</u>	<u>41.69%</u>	<u>30.29%</u>
27.	Total Sales	<u>36,057</u>	<u>34,471</u>	<u>32,454</u>	<u>29,483</u>	<u>28,649</u>	<u>5.92%</u>	<u>4.60%</u>
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28.	Estimated Overall Rate of Return	9.55%	10.37%	9.71%	9.47%	9.65%	-0.26%	-7.91%
29.	Estimated Return on Common Equity	12.00%	13.48%	12.34%	12.02%	12.18%	-0.37%	-10.98%
30.	Common Equity Ratio	54.89%	52.32%	49.25%	49.37%	48.12%	3.35%	4.91%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.95	4.94	4.13	3.90	3.65	7.91%	0.20%
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32.	LAST RATE CASE	Authorized Return on Common Equity: 12.75%		Equity Ratio: 44.00%		Date of Order: 8-5-88		

Notes: [1] North Carolina retail jurisdictional revenue equates to 72% of total company electric utility revenue.

[2] Net Plant Investment reflects net plant in service.

[3] Source of Data: NCUC ES-1 Reports except for data in Italics [Lines 28 - 31, Columns (e) - (f)] which is from past Commission Surveillance Reports.

DUKE POWER COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,881,934	\$2,899,703	\$2,782,170	\$2,665,261	\$2,665,157	1.78%	-0.61%
2.	Operating Expenses:							
3.	Fuel	450,138	482,620	459,918	424,561	434,631	0.88%	-6.73%
4.	Purchased Power	264,993	284,864	282,747	307,676	309,706	-3.62%	-6.98%
5.	Maintenance	274,567	321,422	275,919	281,368	245,637	2.62%	-14.57%
6.	Other Operating Expenses	613,959	534,236	535,711	512,874	480,174	7.47%	14.92%
7.	Total Operating Expenses	1,603,677	1,623,142	1,554,295	1,526,479	1,450,148	2.55%	-1.20%
8.	Depreciation & Amortization	331,848	322,446	296,772	297,562	323,574	0.63%	2.92%
9.	Total Expenses & Depreciation	1,935,525	1,945,588	1,851,067	1,824,041	1,773,722	2.21%	-0.52%
10.	Total Operating Taxes	438,568	433,895	426,952	387,537	412,252	1.56%	1.08%
11.	Total Expenses, Depr. & Taxes	2,374,093	2,379,483	2,278,019	2,211,578	2,185,974	2.09%	-0.23%
12.	Operating Income	\$507,841	\$520,220	\$504,151	\$453,683	\$499,183	0.43%	-2.38%
13.	Net Plant Investment	\$6,222,009	\$6,009,311	\$6,051,223	\$5,871,030	\$5,742,564	2.02%	3.54%
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14.	Oper. Exp. as a % of Total Revenue	55.65%	55.98%	55.87%	57.27%	54.01%	0.75%	-0.59%
15.	Net Plt. Investment per \$ of Revenue	\$2.16	\$2.07	\$2.18	\$2.20	\$2.14	0.23%	4.35%
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16.	Number of Customers Served:							
17.	Residential	1,218	1,186	1,157	1,130	1,104	2.49%	2.70%
18.	Commercial	193	187	182	176	170	3.22%	3.21%
19.	Industrial	7	7	7	7	7	0.00%	0.00%
20.	Other	7	7	6	8	8	3.93%	0.00%
21.	Total Number of Customers	1,425	1,387	1,352	1,319	1,287	2.58%	2.74%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	15,097	15,813	14,812	14,243	14,624	0.80%	-4.53%
24.	Commercial	15,211	15,180	14,261	13,623	13,286	3.44%	0.20%
25.	Industrial	17,840	17,516	17,520	17,310	16,642	1.75%	1.85%
26.	Other	215	202	187	191	186	3.69%	6.44%
27.	Total Sales	48,363	48,711	46,790	45,367	44,738	1.87%	-0.71%
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28.	Estimated Overall Rate of Return	9.62%	9.85%	9.93%	9.19%	10.14%	-1.31%	-2.34%
29.	Estimated Return on Common Equity	11.45%	11.99%	12.22%	10.99%	12.70%	-2.56%	-4.50%
30.	Common Equity Ratio	54.25%	53.58%	52.36%	51.78%	50.90%	1.61%	1.25%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.90	4.93	4.01	4.60	4.92	-0.10%	-0.61%
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32.	LAST RATE CASE	Authorized Return on Common Equity: 12.50%		Equity Ratio: 49.82%		Date of Order: 11-12-91		

Notes: [1] North Carolina retail jurisdictional revenue equates to 67% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports except for data in Italics [Lines 28-31, Columns (e) - (f)] which is from past Commission Surveillance Reports.

NANTAHALA POWER AND LIGHT COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$61,748	\$67,590	\$59,432	\$65,199	\$63,751	-0.79%	-8.64%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	80	6,614	4,389	9,457	11,638	-71.21%	-98.79%
4.	Purchased Power - Regular	24,637	26,208	24,607	23,187	22,746	2.02%	-5.99%
5.	Maintenance	4,691	5,660	4,654	4,297	5,285	-2.94%	-17.12%
6.	Other Operating Expenses	7,900	7,574	7,888	8,169	7,880	0.13%	4.30%
7.	Total Operating Expenses	37,308	46,056	41,538	45,110	47,529	-5.87%	-18.99%
8.	Depreciation & Amortization	5,174	4,697	4,754	4,404	4,133	5.78%	10.16%
9.	Total Expenses & Depreciation	42,482	50,753	46,292	49,514	51,662	-4.77%	-16.30%
10.	Total Operating Taxes	8,528	8,277	6,149	7,608	6,070	8.87%	3.03%
11.	Total Expenses, Depr. & Taxes	51,010	59,030	52,441	57,122	57,732	-3.05%	-13.59%
12.	Operating Income	\$10,738	\$8,560	\$6,991	\$8,077	\$6,019	15.57%	25.44%
13.	Net Plant Investment	\$127,985	\$114,129	\$107,680	\$80,040	\$68,826	16.78%	12.14%
14.	Oper. Exp. as a % of Total Revenue	60.42%	68.14%	69.89%	69.19%	74.55%	-5.12%	-11.33%
15.	Net Plt. Investment per \$ of Revenue	\$2.07	\$1.69	\$1.81	\$1.23	\$1.08	17.66%	22.49%
16.	Number of Customers Served:							
17.	Residential	51	50	48	47	46	2.61%	2.00%
18.	Commercial	6	6	6	6	6	0.00%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	0	0	0	0	0	N/A	N/A
21.	Total Number of Customers	57	56	54	53	52	2.32%	1.79%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	475	500	455	436	431	2.46%	-5.00%
24.	Commercial	318	328	301	288	263	4.86%	-3.05%
25.	Industrial	128	115	111	107	119	1.84%	11.30%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	923	945	869	833	815	3.16%	-2.33%
28.	Estimated Overall Rate of Return	8.89%	7.88%	7.60%	11.10%	8.43%	-1.46%	15.76%
29.	Estimated Return on Common Equity	10.43%	7.81%	7.34%	13.14%	10.49%	-0.11%	33.55%
30.	Common Equity Ratio	48.61%	62.25%	62.50%	60.13%	57.26%	-4.01%	-21.91%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.19	3.97	3.17	5.10	3.89	-4.84%	-19.65%
32.	LAST RATE CASE	Authorized Return on Common Equity: 12.10%			Equity Ratio: 56.11%		Date of Order: 6-18-93	

Notes: [1] North Carolina retail jurisdictional revenue equates to 99% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports except for data in Italics [Lines 28 - 31, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

NORTH CAROLINA POWER
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$218,918	\$211,436	\$201,183	\$189,123	\$189,205	3.71%	3.54%
2.	Operating Expenses:							
3.	Fuel	26,278	28,358	28,579	24,994	27,181	-0.84%	-7.33%
4.	Purchased Power	51,539	52,328	46,737	43,339	40,452	6.24%	-1.51%
5.	Maintenance	11,286	13,054	13,172	12,871	13,838	-4.82%	-13.54%
6.	Other Operating Expenses	<u>30,464</u>	<u>29,746</u>	<u>30,714</u>	<u>27,860</u>	<u>26,170</u>	<u>3.67%</u>	<u>2.41%</u>
7.	Total Operating Expenses	119,567	123,486	117,202	109,064	107,441	2.71%	-3.17%
8.	Depreciation & Amortization	<u>27,567</u>	<u>24,674</u>	<u>23,322</u>	<u>21,821</u>	<u>22,662</u>	5.02%	10.63%
9.	Total Expenses & Depreciation	147,134	148,360	140,524	130,885	130,103	3.12%	-0.83%
10.	Total Operating Taxes	<u>29,851</u>	<u>26,330</u>	<u>26,066</u>	<u>25,220</u>	<u>25,728</u>	<u>3.79%</u>	<u>13.37%</u>
11.	Total Expenses, Depr. & Taxes	<u>176,985</u>	<u>174,690</u>	<u>166,590</u>	<u>156,105</u>	<u>155,831</u>	<u>3.23%</u>	<u>1.31%</u>
12.	Operating Income	<u>\$41,933</u>	<u>\$36,746</u>	<u>\$34,593</u>	<u>\$33,018</u>	<u>\$33,374</u>	<u>5.87%</u>	<u>14.12%</u>
13.	Net Plant Investment	<u>\$439,433</u>	<u>\$439,776</u>	<u>\$430,985</u>	<u>\$422,219</u>	<u>\$414,394</u>	<u>1.48%</u>	<u>-0.08%</u>
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14.	Oper. Exp. as a % of Total Revenue	54.62%	58.40%	58.26%	57.67%	58.79%	-0.97%	-6.47%
15.	Net Plt. Investment per \$ of Revenue	\$2.01	\$2.08	\$2.14	\$2.23	\$2.19	-2.12%	-3.37%
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16.	Number of Customers Served:							
17.	Residential	88	86	85	84	82	1.78%	2.33%
18.	Commercial	13	13	13	13	12	2.02%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	2	2	2	2	2	0.00%	0.00%
21.	Total Number of Customers	<u>103</u>	<u>101</u>	<u>100</u>	<u>99</u>	<u>96</u>	<u>1.78%</u>	<u>1.98%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,110	1,120	1,077	1,014	1,006	2.49%	-0.89%
24.	Commercial	629	632	625	594	590	1.61%	-0.47%
25.	Industrial	1,259	1,249	1,185	1,120	1,019	5.43%	0.80%
26.	Other	<u>107</u>	<u>122</u>	<u>117</u>	<u>112</u>	<u>109</u>	<u>-0.46%</u>	<u>-12.30%</u>
27.	Total Sales	<u>3,105</u>	<u>3,123</u>	<u>3,004</u>	<u>2,840</u>	<u>2,724</u>	<u>3.33%</u>	<u>-0.58%</u>
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28.	Estimated Overall Rate of Return	9.62%	8.70%	8.75%	<u>8.67%</u>	<u>8.79%</u>	2.28%	10.57%
29.	Estimated Return on Common Equity	12.22%	10.23%	10.46%	<u>10.61%</u>	<u>10.63%</u>	3.55%	19.45%
30.	Common Equity Ratio	47.36%	46.41%	45.24%	<u>45.23%</u>	<u>44.37%</u>	1.65%	2.09%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.00	3.44	3.41	<u>2.75</u>	<u>3.36</u>	4.46%	16.26%
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32.	LAST RATE CASE	Authorized Return on Common Equity: 11.80%			Equity Ratio: 44.82%		Date of Order: 2-26-93	

Notes: [1] North Carolina retail jurisdictional revenue equates to 5% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports except for data in Italics [Lines 28 - 31, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

NORTH CAROLINA GAS SERVICE, DIVISION OF NUI
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	N/A	N/A	N/A	\$5,483	\$4,957	N/A	N/A
3.	Commercial	N/A	N/A	N/A	2,982	2,786	N/A	N/A
4.	Industrial	N/A	N/A	N/A	6,864	6,480	N/A	N/A
5.	Public Authorities	N/A	N/A	N/A	0	0	N/A	N/A
6.	Resale	N/A	N/A	N/A	0	0	N/A	N/A
7.	Other	N/A	N/A	N/A	324	859	N/A	N/A
8.	Total Operating Revenue	N/A	N/A	14,955	15,653	15,082	N/A	N/A
9.	Cost of Gas	N/A	N/A	8,618	9,723	9,693	N/A	N/A
10.	Margin	N/A	N/A	6,337	5,930	5,389	N/A	N/A
11.	O & M Expenses	N/A	N/A	3,833	3,660	3,303	N/A	N/A
12.	Other Deductions	N/A	N/A	1,863	1,531	1,762	N/A	N/A
13.	Operating income	N/A	N/A	\$641	\$739	\$324	N/A	N/A
14.	Net Plant Investment	N/A	N/A	\$11,075	\$11,874	\$10,269	N/A	N/A
15.	Oper. Exp. as a % of Total Revenue	N/A	N/A	83.26%	85.50%	86.17%	N/A	N/A
16.	Net Plt. Investment per \$ of Revenue	N/A	N/A	\$0.74	\$0.76	\$0.68	N/A	N/A
17.	Gas Delivered in DTs:							
18.	Residential	N/A	N/A	824	824	843	N/A	N/A
19.	Commercial	N/A	N/A	542	545	577	N/A	N/A
20.	Industrial	N/A	N/A	1,641	2,016	2,033	N/A	N/A
21.	Public Authorities	N/A	N/A	0	0	0	N/A	N/A
22.	Resale	N/A	N/A	0	0	0	N/A	N/A
23.	Other	N/A	N/A	1,028	369	48	N/A	N/A
24.	Total DTs	N/A	N/A	4,035	3,774	3,501	N/A	N/A
25.	Number of Customers:							
26.	Residential	N/A	N/A	11	11	10	N/A	N/A
27.	Commercial	N/A	N/A	2	2	2	N/A	N/A
28.	Industrial	N/A	N/A	0	0	0	N/A	N/A
29.	Public Authorities	N/A	N/A	0	0	0	N/A	N/A
30.	Resale	N/A	N/A	0	0	0	N/A	N/A
31.	Other	N/A	N/A	0	0	0	N/A	N/A
32.	Total Number of Customers	N/A	N/A	13	13	12	N/A	N/A
33.	Estimated Overall Rate of Return	N/A	N/A	7.32%	1.70%	8.35%	N/A	N/A
34.	Estimated Return on Common Equity	N/A	N/A	7.11%	-5.23%	5.90%	N/A	N/A
35.	Common Equity Ratio	N/A	N/A	52.13%	53.21%	54.16%	N/A	N/A
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	N/A	N/A	2.57	1.59	4.23	N/A	N/A
37.	LAST RATE CASE	Authorized Return on Common Equity: 11.40% Equity Ratio: 47.57%					Date of Order: 9-20-95	

Notes: [1] North Carolina retail jurisdictional revenue equates to 4% of total company gas utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: Shareholders' reports and the NCUC GS-1 Reports except for data in Italics (Lines 33 - 36, Columns (e) - (f)) which is from past Commission Surveillance Reports.
[4] N/A denotes that the data has not been provided due to on-going changes occurring within the Company's internal operational structure.

NORTH CAROLINA NATURAL GAS CORPORATION
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$47,890	\$46,858	\$33,252	\$35,026	\$34,789	8.22%	1.78%
3.	Commercial	32,118	30,398	21,115	22,800	22,904	8.82%	5.66%
4.	Industrial	61,155	74,327	63,632	62,251	77,257	-5.68%	-17.72%
5.	Public Authorities	2,026	2,062	1,710	1,854	2,308	-3.21%	-1.75%
6.	Resale	22,984	27,190	23,189	19,217	18,375	5.75%	-15.47%
7.	Other	20,734	22,447	15,167	11,521	8,219	28.03%	-7.63%
8.	Total Operating Revenue	188,707	203,282	158,065	152,669	163,832	3.32%	-8.15%
9.	Cost of Gas	112,674	131,530	98,084	98,273	108,885	0.86%	-14.34%
10.	Margin	74,033	71,752	60,001	54,396	54,967	7.73%	3.18%
11.	O & M Expenses	25,989	23,848	21,181	19,508	18,677	8.61%	8.98%
12.	Other Deductions	28,356	27,837	22,720	20,827	20,859	7.98%	1.86%
13.	Operating Income	\$19,888	\$20,087	\$16,100	\$14,061	\$15,431	6.28%	-1.89%
14.	Net Plant Investment	\$199,418	\$181,357	\$177,243	\$164,343	\$151,525	7.11%	9.96%
15.	Oper. Exp. as a % of Total Revenue	74.27%	76.43%	75.44%	77.15%	77.85%	-1.17%	-2.83%
16.	Net Plt. Investment per \$ of Revenue	\$1.07	\$0.89	\$1.12	\$1.08	\$0.92	3.85%	20.22%
17.	Gas Delivered in DTs:							
18.	Residential	5,946	6,765	5,580	5,347	5,318	2.83%	-12.11%
19.	Commercial	5,225	5,518	4,788	4,494	4,388	4.46%	-5.31%
20.	Industrial	14,201	18,670	19,981	17,795	20,485	-8.75%	-23.94%
21.	Public Authorities	319	365	380	368	441	-7.78%	-12.60%
22.	Resale	4,331	6,483	6,958	4,392	4,213	0.69%	-33.19%
23.	Other	25,460	16,246	15,447	14,624	12,616	19.19%	56.72%
24.	Total DTs	55,482	54,047	53,132	47,020	47,461	3.98%	2.68%
25.	Number of Customers:							
26.	Residential	95	91	88	83	79	4.72%	4.40%
27.	Commercial	13	13	12	12	11	4.26%	0.00%
28.	Industrial	0	0	0	0	0	N/A	N/A
29.	Public Authorities	4	5	5	5	5	-5.43%	-20.00%
30.	Resale	46	44	40	38	35	7.07%	4.55%
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	158	153	145	138	130	5.00%	3.27%
33.	Estimated Overall Rate of Return	11.35%	12.23%	9.40%	8.02%	9.54%	4.44%	-7.20%
34.	Estimated Return on Common Equity	13.59%	14.88%	10.19%	12.57%	16.07%	-4.10%	-8.67%
35.	Common Equity Ratio	60.40%	60.08%	59.63%	70.44%	68.09%	-2.95%	0.53%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.24	5.43	4.03	4.44	4.77	2.38%	-3.50%
37.	LAST RATE CASE	Authorized Return on Common Equity: N/A Equity Ratio: N/A Date of Order 10-27-95						

Notes: [1] Rates are set on a total company basis.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

PIEDMONT NATURAL GAS COMPANY, INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$196,133	\$185,667	\$137,432	\$139,294	\$133,948	10.00%	5.64%
3.	Commercial	107,502	104,640	73,038	84,338	85,648	5.85%	2.74%
4.	Industrial	94,696	106,272	53,416	75,674	101,236	-1.66%	-10.89%
5.	Public Authorities	3,339	3,129	2,408	3,007	2,979	2.89%	6.71%
6.	Resale	0	1,362	2,597	1,372	0	N/A	N/A
7.	Other	64,880	39,492	25,931	16,477	6,693	76.45%	64.29%
8.	Total Operating Revenue	<u>466,550</u>	<u>440,562</u>	<u>294,820</u>	<u>320,162</u>	<u>330,504</u>	<u>9.00%</u>	<u>5.90%</u>
9.	Cost of Gas	284,027	269,397	142,709	182,211	203,005	8.76%	5.43%
10.	Margin	182,523	171,165	152,111	137,951	127,499	9.38%	6.64%
11.	O & M Expenses	71,469	71,190	64,666	62,341	58,696	5.05%	0.39%
12.	Other Deductions	62,122	56,969	48,763	41,913	38,433	12.75%	9.05%
13.	Operating Income	<u>\$48,932</u>	<u>\$43,006</u>	<u>\$38,682</u>	<u>\$33,697</u>	<u>\$30,370</u>	<u>12.66%</u>	<u>13.78%</u>
14.	Net Plant Investment	<u>\$491,441</u>	<u>\$466,321</u>	<u>\$431,771</u>	<u>\$408,333</u>	<u>\$355,646</u>	<u>8.41%</u>	<u>5.39%</u>
15.	Oper. Exp. as a % of Total Revenue	76.20%	77.31%	70.34%	76.38%	79.18%	-0.95%	-1.44%
16.	Net Plt. Investment per \$ of Revenue	\$1.05	\$1.06	\$1.46	\$1.28	\$1.08	-0.70%	-0.94%
17.	Gas Delivered in DTs:							
18.	Residential	23,398	27,717	21,291	20,454	20,353	3.55%	-15.58%
19.	Commercial	15,940	17,104	13,644	14,811	15,664	0.44%	-6.81%
20.	Industrial	20,498	23,928	15,542	20,022	26,490	-6.21%	-14.33%
21.	Public Authorities	474	493	480	531	543	-3.34%	-3.85%
22.	Resale	0	118	1,170	617	0	N/A	N/A
23.	Other	36,375	21,897	23,901	14,141	5,605	59.61%	66.12%
24.	Total DTs	<u>96,685</u>	<u>91,257</u>	<u>76,028</u>	<u>70,576</u>	<u>68,655</u>	<u>8.94%</u>	<u>5.95%</u>
25.	Number of Customers:							
26.	Residential	314	294	278	264	249	5.97%	6.80%
27.	Commercial	37	36	35	33	33	2.90%	2.78%
28.	Industrial	2	2	2	2	1	18.92%	0.00%
29.	Public Authorities	6	6	6	6	7	-3.78%	0.00%
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	<u>359</u>	<u>338</u>	<u>321</u>	<u>305</u>	<u>290</u>	<u>5.48%</u>	<u>6.21%</u>
33.	Estimated Overall Rate of Return	10.60%	10.25%	9.71%	<i>7.76%</i>	<i>7.99%</i>	7.32%	3.41%
34.	Estimated Return on Common Equity	13.20%	12.63%	11.26%	<i>12.30%</i>	<i>12.48%</i>	1.41%	4.51%
35.	Common Equity Ratio	50.85%	49.45%	51.11%	<i>49.79%</i>	<i>51.30%</i>	-0.22%	2.83%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.82	3.54	3.35	<i>3.17</i>	<i>3.31</i>	3.65%	7.91%
37.	LAST RATE CASE	Authorized Return on Common Equity: N/A		Equity Ratio: N/A		Date of Order 10-23-96		

Notes: [1] North Carolina retail jurisdictional revenue equates to 59% of total company gas utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: Shareholders' reports and the NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate		
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)	
1.	Operating Revenue:								
2.	Residential	\$186,951	\$172,455	\$139,999	\$138,518	\$128,331	9.86%	8.41%	
3.	Commercial	87,864	84,581	67,447	70,792	66,845	7.07%	3.88%	
4.	Industrial	37,739	41,975	23,762	25,966	52,988	-8.13%	-10.09%	
5.	Public Authorities	0	0	0	0	0	N/A	N/A	
6.	Resale	0	0	2,975	14,721	16,369	N/A	N/A	
7.	Other	35,507	28,803	21,797	19,101	9,921	37.54%	24.14%	
8.	Total Operating Revenue	348,061	327,614	255,990	289,098	274,454	6.12%	6.24%	
9.	Cost of Gas	192,862	181,934	121,735	147,531	161,698	4.47%	6.01%	
10.	Margin	155,199	145,680	134,245	121,567	112,556	8.36%	6.53%	
11.	O & M Expenses	60,197	57,748	53,406	48,750	48,165	5.73%	4.24%	
12.	Other Deductions	55,534	51,978	46,244	42,172	36,095	11.37%	6.84%	
13.	Operating Income	\$39,468	\$35,854	\$34,595	\$30,645	\$28,296	8.68%	9.77%	
14.	Net Plant Investment	\$462,252	\$429,162	\$390,705	\$356,905	\$335,866	8.31%	7.71%	
15.	Oper. Exp. as a % of Total Revenue	72.71%	73.16%	68.42%	72.94%	76.54%	-1.28%	-0.62%	
16.	Net Plt. Investment per \$ Revenue	\$1.33	\$1.31	\$1.53	\$1.33	\$1.22	2.18%	1.53%	
17.	Gas Delivered in DTs:								
18.	Residential	20,008	22,573	19,101	18,281	17,922	2.79%	-11.36%	
19.	Commercial	12,409	14,157	12,674	12,154	11,944	0.96%	-12.35%	
20.	Industrial	7,558	9,572	6,511	5,922	13,408	-13.35%	-21.04%	
21.	Public Authorities	0	0	0	0	0	N/A	N/A	
22.	Resale	0	0	0	0	0	N/A	N/A	
23.	Other	26,002	20,299	22,906	21,905	13,979	16.76%	28.09%	
24.	Total DTs	65,977	66,601	61,192	58,262	57,253	3.61%	-0.94%	
25.	Number of Customers:								
26.	Residential	280	266	262	249	238	4.15%	5.26%	
27.	Commercial	41	39	31	29	28	10.00%	5.13%	
28.	Industrial	2	2	0	0	0	N/A	N/A	
29.	Public Authorities	0	0	0	0	0	N/A	N/A	
30.	Resale	0	0	0	0	0	N/A	N/A	
31.	Other	0	0	0	0	0	N/A	N/A	
32.	Total Number of Customers	323	307	293	278	266	4.97%	5.21%	
33.	Estimated Overall Rate of Return	9.88%	10.13%	10.96%	8.16%	7.98%	5.48%	-2.47%	
34.	Estimated Return on Common Equity	11.94%	12.13%	12.82%	14.81%	12.06%	-0.23%	-1.57%	
35.	Common Equity Ratio	48.31%	50.34%	53.94%	58.10%	49.49%	-0.60%	-4.03%	
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.27	3.47	3.78	3.54	2.58	6.10%	-5.76%	
37.	LAST RATE CASE	Authorized Return on Common Equity: 11.87%					Equity Ratio: 50.00%	Date of Order: 1-26-95	

Notes: [1] Rates are set on a total company basis.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports except for data in italics [Lines 33 - 36, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

ALLTEL CAROLINA, INC.
SELECTED FINANCIAL OPERATIONAL DATA
North Carolina Intrastate Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1998 (c)	December 1996 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$57,628	\$50,393	\$42,419	\$35,737	\$33,232	14.75%	14.36%
3.	Network Access	20,706	21,342	20,771	16,440	13,387	11.52%	-2.98%
4.	Long Distance Message	5,403	7,927	15,637	11,187	9,667	-13.54%	-31.84%
5.	Miscellaneous	2,477	1,286	5,157	3,335	3,069	N/A	N/A
6.	Uncollectibles	(278)	(490)	(1,612)	(865)	(476)	-12.58%	-43.27%
7.	Total Operating Revenue	<u>85,936</u>	<u>80,458</u>	<u>82,372</u>	<u>65,834</u>	<u>58,879</u>	<u>9.91%</u>	<u>6.81%</u>
8.	Operating Expenses	39,913	39,333	36,985	28,560	24,632	12.82%	1.47%
9.	Depreciation & Amortization	14,026	13,154	16,360	11,852	11,173	5.85%	6.63%
10.	Total Operating Taxes	12,171	10,612	11,442	9,886	9,188	7.34%	14.69%
11.	Total Expenses, Depr. & Taxes	<u>66,110</u>	<u>63,099</u>	<u>64,787</u>	<u>50,298</u>	<u>44,973</u>	<u>10.11%</u>	<u>4.77%</u>
12.	Other Operating (Income) & Expense	0	0	(187)	0	0	N/A	N/A
13.	Operating Income	<u>\$19,826</u>	<u>\$17,359</u>	<u>\$17,772</u>	<u>\$15,536</u>	<u>\$13,906</u>	<u>9.27%</u>	<u>14.21%</u>
14.	Net Plant Investment	<u>\$145,745</u>	<u>\$134,278</u>	<u>\$133,271</u>	<u>\$110,197</u>	<u>\$105,079</u>	<u>8.52%</u>	<u>8.54%</u>
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15.	Oper. Exp. as a % of Total Revenue	46.45%	48.89%	44.90%	43.38%	41.83%	2.65%	-4.99%
16.	Net Plt. investment per \$ of Revenue	\$1.70	\$1.87	\$1.62	\$1.67	\$1.78	-1.14%	1.80%
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17.	Local Access Lines:							
18.	Residential	147	137	130	99	93	12.13%	7.30%
19.	Business	45	41	36	24	21	20.99%	9.76%
20.	Total Local Access Lines	<u>192</u>	<u>178</u>	<u>166</u>	<u>123</u>	<u>114</u>	<u>13.92%</u>	<u>7.87%</u>
21.	Total Access Lines:							
22.	Residential	147	137	130	99	93	12.13%	7.30%
23.	Business	45	41	37	24	21	20.99%	9.76%
24.	Total Access Lines	<u>192</u>	<u>178</u>	<u>167</u>	<u>123</u>	<u>114</u>	<u>13.92%</u>	<u>7.87%</u>
<hr/>								
25.	Estimated Overall Rate of Return	15.71%	14.29%	13.78%	14.42%	14.82%	1.47%	9.94%
26.	Estimated Return on Common Equity	20.90%	18.36%	17.57%	20.20%	17.95%	3.88%	13.71%
27.	Common Equity Ratio	60.78%	61.43%	61.33%	62.33%	66.83%	-2.34%	-1.06%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.63	6.92	6.42	9.19	8.69	-3.20%	10.26%
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29.	LAST RATE CASE	Authorized Return on Common Equity: 13.20% Equity Ratio: 42.11% Date of Order: 11-25-86						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 79% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in **italics** [Lines 25 - 28, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

BELLSOUTH TELECOMMUNICATIONS, INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Intrastate Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$871,804	\$805,817	\$689,370	\$638,507	\$599,078	9.83%	8.22%
3.	Network Access	159,274	163,678	161,256	166,347	147,466	1.94%	-2.69%
4.	Long Distance Message	49,446	64,674	106,379	125,626	140,245	-22.94%	-23.55%
5.	Miscellaneous	37,573	84,291	89,552	86,417	82,364	-17.82%	-55.42%
6.	Uncollectibles	(13,684)	(12,559)	(5,880)	(6,684)	(7,271)	17.13%	8.96%
7.	Total Operating Revenue	1,104,413	1,105,701	1,040,677	1,010,213	961,882	3.51%	-0.12%
8.	Operating Expenses	457,536	496,846	494,761	464,499	447,823	0.54%	-7.91%
9.	Depreciation & Amortization	290,581	284,607	208,264	243,722	211,808	8.23%	2.10%
10.	Total Operating Taxes	164,263	125,641	139,563	119,308	116,835	8.89%	30.74%
11.	Total Expenses, Depr. & Taxes	912,380	907,094	842,588	827,529	776,466	4.12%	0.58%
12.	Other Operating (Income) & Expense	98	70	(51)	(261)	(45)	N/A	40.00%
13.	Operating Income	\$191,935	\$198,537	\$198,140	\$192,945	\$185,461	0.86%	-3.33%
14.	Net Plant Investment	\$1,864,967	\$1,852,897	\$1,893,522	\$1,756,863	\$1,729,257	1.91%	0.65%
15.	Oper. Exp. as a % of Total Revenue	41.43%	44.93%	47.54%	45.98%	46.56%	-2.88%	-7.79%
16.	Net Plt. Investment per \$ of Revenue	\$1.69	\$1.68	\$1.82	\$1.74	\$1.80	-1.56%	0.60%
17.	Local Access Lines:							
18.	Residential	1,524	1,449	1,396	1,344	1,292	4.22%	5.18%
19.	Business	657	598	543	488	451	9.86%	9.87%
20.	Total Local Access Lines	2,181	2,047	1,939	1,832	1,743	5.76%	6.55%
21.	Total Access Lines:							
22.	Residential	1,524	1,449	1,396	1,344	1,292	4.22%	5.18%
23.	Business	683	604	550	497	463	9.39%	9.77%
24.	Total Access Lines	2,187	2,053	1,946	1,841	1,755	5.66%	6.53%
25.	Estimated Overall Rate of Return	11.95%	12.46%	12.72%	10.67%	11.22%	1.59%	-4.09%
26.	Estimated Return on Common Equity	16.15%	17.54%	16.94%	13.85%	15.42%	1.16%	-7.92%
27.	Common Equity Ratio	57.38%	55.69%	58.65%	63.07%	63.74%	-2.59%	3.03%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.30	6.62	6.71	6.67	6.44	3.18%	10.27%
29.	LAST RATE CASE	Authorized Return on Common Equity: 15.00% Equity Ratio: 54.80%					Date of Order: 11-9-84	

- Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 75% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in *italics* [Lines 25 - 28, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] For companies electing price regulation, including BellSouth Telecommunications, Inc., the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996, with the exception of Concord Telephone Company; therefore, data for such companies included herein is updated annually beginning with the calendar year 1996.
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

CAROLINA TELEPHONE AND TELEGRAPH COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Intrastate Operations
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$338,306	\$309,556	\$259,741	\$234,647	\$218,385	11.56%	9.29%
3.	Network Access	88,775	91,084	86,173	82,413	74,011	4.65%	-2.54%
4.	Long Distance Message	32,804	39,116	67,623	75,426	65,888	-16.00%	-16.14%
5.	Miscellaneous	45,277	51,545	46,673	43,269	36,059	5.86%	-12.16%
6.	Uncollectibles	(6,667)	(5,613)	(3,343)	(2,471)	(2,042)	34.42%	18.78%
7.	Total Operating Revenue	<u>496,495</u>	<u>485,688</u>	<u>456,867</u>	<u>433,504</u>	<u>392,299</u>	<u>6.17%</u>	<u>2.64%</u>
8.	Operating Expenses	250,852	256,783	234,038	214,099	239,587	1.18%	-2.31%
9.	Depreciation & Amortization	123,863	117,404	95,023	97,470	81,974	10.83%	5.33%
10.	Total Operating Taxes	52,515	48,115	52,547	48,699	27,564	17.49%	9.14%
11.	Total Expenses, Depr. & Taxes	<u>427,030</u>	<u>422,302</u>	<u>381,608</u>	<u>360,268</u>	<u>349,125</u>	<u>5.16%</u>	<u>1.12%</u>
12.	Operating Income	<u>\$71,465</u>	<u>\$63,386</u>	<u>\$75,259</u>	<u>\$73,236</u>	<u>\$43,174</u>	<u>13.43%</u>	<u>12.75%</u>
13.	Net Plant Investment	<u>\$661,395</u>	<u>\$674,875</u>	<u>\$688,175</u>	<u>\$666,337</u>	<u>\$662,797</u>	<u>-0.05%</u>	<u>-2.00%</u>
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14.	Oper. Exp. as a % of Total Revenue	50.32%	52.87%	51.23%	49.39%	61.07%	-4.73%	-4.82%
15.	Net Plt. Investment per \$ of Revenue	\$1.33	\$1.39	\$1.51	\$1.54	\$1.69	-5.86%	-4.52%
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16.	Local Access Lines:							
17.	Residential	813	792	762	734	707	3.55%	2.65%
18.	Business	259	230	208	191	195	7.35%	12.61%
19.	Total Local Access Lines	<u>1,072</u>	<u>1,022</u>	<u>970</u>	<u>925</u>	<u>902</u>	<u>4.41%</u>	<u>4.89%</u>
20.	Total Access Lines:							
21.	Residential	813	792	762	734	707	3.55%	2.65%
22.	Business	280	231	210	194	199	6.91%	12.55%
23.	Total Access Lines	<u>1,073</u>	<u>1,023</u>	<u>972</u>	<u>928</u>	<u>906</u>	<u>4.32%</u>	<u>4.89%</u>
<hr/>								
24.	Estimated Overall Rate of Return	12.53%	11.02%	13.07%	12.80%	7.66%	13.02%	13.70%
25.	Estimated Return on Common Equity	16.59%	13.60%	16.38%	16.51%	7.96%	20.15%	21.99%
26.	Common Equity Ratio	60.75%	62.23%	62.60%	66.13%	62.61%	-0.75%	-2.38%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.65	6.45	6.93	7.67	4.27	15.89%	18.60%
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28.	LAST RATE CASE	Authorized Return on Common Equity: 15.25% Equity Ratio: 48.40% Date of Order: 3-30-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 76% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Columns (a) - (f)] which is from past Commission Surveillance Reports.
[4] For companies electing price regulation, including Carolina Telephone and Telegraph Company, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996, with the exception of Concord Telephone Company; therefore, data for such companies included herein is updated annually beginning with the calendar year 1996.

CENTRAL TELEPHONE COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Intrastate Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate		
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)	
1.	Operating Revenue:								
2.	Basic Local Service	\$83,322	\$77,233	\$60,431	\$54,879	\$51,662	12.69%	7.88%	
3.	Network Access	19,320	19,387	20,030	18,733	29,601	-10.12%	-0.35%	
4.	Long Distance Message	9,543	9,188	22,339	23,809	(1,346)	N/A	3.86%	
5.	Miscellaneous	13,219	10,682	10,350	6,997	7,223	16.31%	23.75%	
6.	Uncollectibles	(1,559)	(1,015)	(732)	(430)	(696)	22.34%	53.60%	
7.	Total Operating Revenue	123,845	115,475	112,418	103,988	88,444	9.40%	7.25%	
8.	Operating Expenses	70,435	72,780	68,124	67,117	68,933	0.54%	-3.22%	
9.	Depreciation & Amortization	21,262	20,823	13,911	12,915	12,743	13.65%	2.11%	
10.	Total Operating Taxes	13,035	8,780	11,942	9,499	3,340	40.55%	48.46%	
11.	Total Expenses, Depr. & Taxes	104,732	102,363	93,977	89,531	85,016	5.35%	2.29%	
12.	Operating Income	\$19,113	\$13,092	\$18,441	\$14,457	\$1,428	91.27%	45.99%	
13.	Net Plant Investment	\$201,341	\$194,240	\$189,012	\$179,157	\$168,658	4.53%	3.66%	
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14.	Oper. Exp. as a % of Total Revenue	56.87%	63.03%	60.60%	64.54%	79.74%	-8.10%	-9.76%	
15.	Net Plt. Investment per \$ of Revenue	\$1.63	\$1.68	\$1.68	\$1.72	\$1.95	-4.46%	-3.35%	
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16.	Local Access Lines:								
17.	Residential	190	185	179	173	168	3.12%	2.70%	
18.	Business	63	58	52	47	52	4.81%	12.50%	
19.	Total Local Access Lines	253	241	231	220	220	3.56%	4.98%	
20.	Total Access Lines:								
21.	Residential	190	185	179	173	168	3.12%	2.70%	
22.	Business	63	57	52	47	52	4.81%	10.53%	
23.	Total Access Lines	253	242	231	220	220	3.56%	4.55%	
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24.	Estimated Overall Rate of Return	12.60%	8.86%	13.05%	8.35%	1.10%	83.97%	42.21%	
25.	Estimated Return on Common Equity	12.60%	8.40%	15.10%	15.28%	-2.20%	N/A	50.00%	
26.	Common Equity Ratio	88.21%	80.85%	65.95%	87.05%	70.22%	5.87%	9.10%	
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	12.61	5.92	6.22	6.86	2.77	46.07%	113.01%	
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28.	LAST RATE CASE	Authorized Return on Common Equity: 15.50%					Equity Ratio: 48.30%	Date of Order: 6-22-83	

- Notes: [1] North Carolina Intrastate revenue, i.e., jurisdictional revenue, equates to approximately 68% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in Italics (Lines 24 - 27, Columns (e) - (f)) which is from past Commission Surveillance Reports.
[4] For companies electing price regulation, including Central Telephone Company, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996, with the exception of Concord Telephone Company; therefore, data for such companies included herein is updated annually beginning with the calendar year 1996.
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

CITIZENS TELEPHONE COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Intrastate Operations
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1998 (c)	December 1999 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$4,313	\$3,909	\$3,388	\$3,259	\$3,204	7.71%	10.34%
3.	Network Access	3,399	2,720	2,724	2,338	2,431	8.74%	24.96%
4.	Long Distance Message	1,147	1,224	1,916	1,874	1,708	-9.47%	-6.29%
5.	Miscellaneous	814	823	808	803	772	1.33%	-1.09%
6.	Uncollectibles	(31)	(23)	(9)	(6)	(14)	21.99%	34.78%
7.	Total Operating Revenue	<u>9,642</u>	<u>8,653</u>	<u>8,827</u>	<u>8,268</u>	<u>8,101</u>	<u>4.45%</u>	<u>11.43%</u>
8.	Operating Expenses	3,833	3,701	3,739	3,472	3,302	3.80%	3.57%
9.	Depreciation & Amortization	2,612	1,949	2,020	2,239	1,566	13.64%	34.02%
10.	Total Operating Taxes	981	959	963	717	928	1.40%	2.29%
11.	Total Expenses, Depr. & Taxes	<u>7,426</u>	<u>6,609</u>	<u>6,722</u>	<u>6,428</u>	<u>5,796</u>	<u>6.39%</u>	<u>12.36%</u>
12.	Operating Income	<u>\$2,216</u>	<u>\$2,044</u>	<u>\$2,105</u>	<u>\$1,840</u>	<u>\$2,305</u>	<u>-0.98%</u>	<u>8.41%</u>
13.	Net Plant Investment	<u>\$17,303</u>	<u>\$16,958</u>	<u>\$16,665</u>	<u>\$17,342</u>	<u>\$17,943</u>	<u>-0.90%</u>	<u>2.03%</u>
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14.	Oper. Exp. as a % of Total Revenue	39.75%	42.77%	42.36%	41.99%	40.76%	-0.63%	-7.06%
15.	Net Plt. Investment per \$ of Revenue	\$1.79	\$1.96	\$1.89	\$2.10	\$2.21	-5.13%	-8.67%
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16.	Local Access Lines:							
17.	Residential	15	14	14	13	13	3.64%	7.14%
18.	Business	3	3	3	3	3	0.00%	0.00%
19.	Total Local Access Lines	<u>18</u>	<u>17</u>	<u>17</u>	<u>16</u>	<u>16</u>	<u>2.99%</u>	<u>5.88%</u>
20.	Total Access Lines:							
21.	Residential	15	14	14	13	13	3.64%	7.14%
22.	Business	3	3	3	3	3	0.00%	0.00%
23.	Total Access Lines	<u>18</u>	<u>17</u>	<u>17</u>	<u>16</u>	<u>16</u>	<u>2.99%</u>	<u>5.88%</u>
<hr/>								
24.	Estimated Overall Rate of Return	13.01%	12.37%	12.73%	11.37%	13.79%	-1.45%	5.17%
25.	Estimated Return on Common Equity	17.06%	16.41%	17.73%	16.45%	20.45%	-4.43%	3.96%
26.	Common Equity Ratio	54.90%	51.79%	48.89%	51.83%	49.01%	2.88%	6.01%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.73	4.33	4.23	2.74	3.23	10.01%	9.24%
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28.	LAST RATE CASE	Authorized Return on Common Equity: 12.70% Equity Ratio: 44.95% Date of Order: 2-26-91						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 73% of total North Carolina revenue, i.e., intrastate and interstate revenue.

[2] Net Plant Investment reflects net plant in service.

[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24-27, Columns (e) - (f)] which is from past Commission Surveillance Reports.

CONCORD TELEPHONE COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Intrastate Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1998 (c)	December 1999 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$29,962	\$24,034	\$21,231	\$18,818	\$16,124	16.75%	24.67%
3.	Network Access	5,351	4,083	3,618	3,436	2,837	17.19%	31.06%
4.	Long Distance Message	7,113	8,713	5,748	7,135	5,557	6.37%	-18.36%
5.	Miscellaneous	6,274	5,861	4,760	4,427	4,446	8.99%	7.05%
6.	Uncollectibles	(165)	(132)	(168)	(143)	(323)	-15.46%	25.00%
7.	Total Operating Revenue	<u>48,535</u>	<u>42,559</u>	<u>35,189</u>	<u>33,673</u>	<u>28,641</u>	<u>14.10%</u>	<u>14.04%</u>
8.	Operating Expenses	24,581	24,155	15,883	14,332	13,211	16.79%	1.76%
9.	Depreciation & Amortization	6,881	7,700	9,238	11,152	7,031	-0.54%	-10.64%
10.	Total Operating Taxes	<u>7,739</u>	<u>5,077</u>	<u>4,790</u>	<u>3,943</u>	<u>3,978</u>	<u>18.10%</u>	<u>52.43%</u>
11.	Total Expenses, Depr. & Taxes	<u>39,201</u>	<u>36,932</u>	<u>29,711</u>	<u>29,427</u>	<u>24,220</u>	<u>12.79%</u>	<u>6.14%</u>
12.	Operating Income	<u>\$9,334</u>	<u>\$5,627</u>	<u>\$5,478</u>	<u>\$4,246</u>	<u>\$4,421</u>	<u>20.54%</u>	<u>65.88%</u>
13.	Net Plant Investment	<u>\$63,801</u>	<u>\$52,363</u>	<u>\$44,072</u>	<u>\$40,505</u>	<u>\$43,795</u>	<u>9.86%</u>	<u>21.84%</u>
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14.	Oper. Exp. as a % of Total Revenue	50.65%	56.76%	44.57%	42.56%	46.13%	2.36%	-10.76%
15.	Net Plt. Investment per \$ of Revenue	\$1.31	\$1.23	\$1.25	\$1.20	\$1.53	-3.81%	6.50%
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16.	Local Access Lines:							
17.	Residential	79	76	73	71	68	3.82%	3.95%
18.	Business	23	21	18	17	16	9.50%	9.52%
19.	Total Local Access Lines	<u>102</u>	<u>97</u>	<u>91</u>	<u>88</u>	<u>84</u>	<u>4.97%</u>	<u>5.15%</u>
20.	Total Access Lines:							
21.	Residential	79	76	73	71	68	3.82%	3.95%
22.	Business	23	21	18	17	16	9.50%	9.52%
23.	Total Access Lines	<u>102</u>	<u>97</u>	<u>91</u>	<u>88</u>	<u>84</u>	<u>4.97%</u>	<u>5.15%</u>
<hr/>								
24.	Estimated Overall Rate of Return	20.39%	14.91%	16.49%	10.83%	13.35%	11.17%	36.75%
25.	Estimated Return on Common Equity	22.92%	16.04%	18.23%	13.74%	14.50%	12.13%	42.89%
26.	Common Equity Ratio	84.96%	88.35%	84.95%	85.44%	82.58%	0.72%	-3.84%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	42.30	44.17	34.01	17.60	23.66	15.63%	-4.23%
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28.	LAST RATE CASE	Authorized Return on Common Equity: 15.50% Equity Ratio: 58.59% Date of Order: 8-17-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 79% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in **italics** [Lines 24 - 27, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] Concord Telephone Company has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1997. The data for Concord included herein will be updated annually beginning with the calendar year 1997.

GTE SOUTH INCORPORATED
SELECTED FINANCIAL AND OPERATIONAL DATA
Merged North Carolina Intrastate Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$111,078	\$103,423	\$91,407	\$88,354	\$84,313	7.14%	7.40%
3.	Network Access	57,345	52,837	40,840	48,486	57,687	-0.15%	8.94%
4.	Long Distance Message	9,528	15,488	22,425	14,970	73	237.98%	-38.49%
5.	Miscellaneous	15,993	14,049	14,227	4,180	17,220	-1.83%	13.84%
6.	Uncollectibles	(1,996)	(1,874)	(3,152)	42	(1,892)	1.35%	6.51%
7.	Total Operating Revenue	191,946	183,723	165,747	156,032	157,401	5.09%	4.48%
8.	Operating Expenses	90,819	86,905	82,367	83,900	67,166	7.83%	4.50%
9.	Depreciation & Amortization	62,991	60,916	35,422	33,180	28,187	21.21%	3.41%
10.	Total Operating Taxes	13,594	13,882	20,998	14,880	23,118	-12.43%	-1.93%
11.	Total Expenses, Depr. & Taxes	167,404	161,683	138,785	131,940	119,469	8.80%	3.54%
12.	Other Operating (Income) & Expense	21	62	(3)	(391)	(60)	N/A	-66.13%
13.	Operating Income	\$24,521	\$21,978	\$26,965	\$24,483	\$37,992	-10.37%	11.57%
14.	Net Plant Investment	\$351,886	\$355,008	\$355,020	\$354,833	\$343,545	0.60%	-0.86%
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15.	Oper. Exp. as a % of Total Revenue	47.31%	47.30%	49.69%	53.77%	42.87%	2.62%	0.03%
16.	Net Plt. Investment per \$ of Revenue	\$1.83	\$1.93	\$2.14	\$2.27	\$2.18	-4.27%	-5.13%
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17.	Local Access Lines:							
18.	Residential	221	210	199	192	186	4.40%	5.24%
19.	Business	121	109	97	88	82	10.22%	11.01%
20.	Total Local Access Lines	342	318	296	280	268	6.28%	7.21%
21.	Total Access Lines:							
22.	Residential	221	210	199	192	186	4.40%	5.24%
23.	Business	186	164	136	120	115	14.26%	18.51%
24.	Total Access Lines	417	374	335	312	301	8.49%	11.50%
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25.	Estimated Overall Rate of Return	8.73%	7.80%	9.82%	N/A	N/A	N/A	11.92%
26.	Estimated Return on Common Equity	8.62%	7.84%	11.17%	N/A	N/A	N/A	9.95%
27.	Common Equity Ratio	63.23%	62.17%	58.20%	N/A	N/A	N/A	1.71%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.56	3.46	4.45	N/A	N/A	N/A	2.89%
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29.	LAST RATE CASE	Authorized Return on Common Equity: 13.90%		Equity Ratio: 50.00%		Date of Order: 9-16-88		

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 74% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data on Lines 2 - 11 and Lines 17 - 24, Columns (e) - (f) which are the sum total of figures for GTE South, Inc. and GTE of North Carolina, which were being provided on a separated basis prior to January 1996.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.
[5] For companies electing price regulation, including GTE South Incorporated, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996, with the exception of Concord Telephone Company; therefore, data for such companies included herein is updated annually beginning with the calendar year 1996.

LEXINGTON TELEPHONE COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
Total Company Utility Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$9,837	\$8,007	\$6,505	\$5,772	\$5,172	17.44%	22.86%
3.	Network Access	2,967	9,810	9,836	9,114	8,466	-23.06%	-69.76%
4.	Long Distance Message	642	1,307	1,722	1,874	2,224	-26.70%	-50.88%
5.	Miscellaneous	2,902	3,200	3,063	2,753	2,564	3.14%	-9.31%
6.	Uncollectibles	(148)	(114)	(99)	(64)	(99)	10.57%	29.82%
7.	Total Operating Revenue	<u>16,200</u>	<u>22,210</u>	<u>21,028</u>	<u>19,449</u>	<u>18,327</u>	-3.04%	-27.06%
8.	Operating Expenses	8,456	11,946	11,282	10,299	10,632	-5.56%	-29.21%
9.	Depreciation & Amortization	3,546	3,568	3,102	2,789	2,656	7.49%	-0.62%
10.	Total Operating Taxes	2,824	2,727	2,516	2,376	2,117	7.47%	3.56%
11.	Total Expenses, Depr. & Taxes	<u>14,826</u>	<u>18,241</u>	<u>16,900</u>	<u>15,464</u>	<u>15,405</u>	-0.95%	-18.72%
12.	Operating Income	<u>\$1,374</u>	<u>\$3,969</u>	<u>\$4,128</u>	<u>\$3,985</u>	<u>\$2,922</u>	-17.19%	-65.38%
13.	Net Plant Investment	<u>\$32,256</u>	<u>\$42,934</u>	<u>\$38,470</u>	<u>\$35,958</u>	<u>\$33,144</u>	-0.68%	-24.87%
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14.	Oper. Exp. as a % of Total Revenue	52.20%	53.79%	53.65%	52.95%	58.01%	-2.60%	-2.96%
15.	Net Plt. Investment per \$ of Revenue	\$1.99	\$1.93	\$1.83	\$1.85	\$1.81	2.40%	3.11%
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16.	Local Access Lines:							
17.	Residential	23	22	22	21	20	3.56%	4.55%
18.	Business	9	9	8	7	6	10.67%	0.00%
19.	Total Local Access Lines	<u>32</u>	<u>31</u>	<u>30</u>	<u>28</u>	<u>26</u>	<u>5.33%</u>	<u>3.23%</u>
20.	Total Access Lines:							
21.	Residential	23	22	22	21	20	3.56%	4.55%
22.	Business	9	9	8	7	6	10.67%	0.00%
23.	Total Access Lines	<u>32</u>	<u>31</u>	<u>30</u>	<u>28</u>	<u>26</u>	<u>5.33%</u>	<u>3.23%</u>
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24.	Estimated Overall Rate of Return	5.80%	12.58%	13.38%	11.31%	9.72%	-12.11%	-53.90%
25.	Estimated Return on Common Equity	5.19%	13.90%	14.59%	12.69%	9.96%	-15.04%	-62.66%
26.	Common Equity Ratio	79.13%	79.10%	80.26%	83.94%	90.56%	-3.32%	0.04%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	9.81	13.33	13.04	20.23	21.28	-17.60%	-26.41%
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28.	LAST RATE CASE	Authorized Return on Common Equity: 16.25% Equity Ratio: 37.22% Date of Order: 6-14-82						

Notes: [1] Rates are set on a total company basis.
[2] Net plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in **italics** [Lines 24 - 27, Columns (e) - (f)] which is from past Commission Surveillance Reports.

MEBTEL COMMUNICATIONS
SELECTED FINANCIAL AND OPERATIONAL DATA
Total Company Utility Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$2,096	\$1,873	\$1,701	\$1,609	\$1,465	9.37%	11.91%
3.	Network Access	3,419	2,631	2,538	2,472	2,562	7.48%	29.95%
4.	Long Distance Message	608	612	604	445	353	14.56%	-0.65%
5.	Miscellaneous	207	171	167	196	86	24.56%	21.05%
6.	Uncollectibles	(111)	(60)	(46)	(27)	(22)	49.87%	85.00%
7.	Total Operating Revenue	6,219	5,227	4,964	4,695	4,444	8.76%	18.98%
8.	Operating Expenses	4,028	3,493	3,485	3,173	2,732	10.19%	15.32%
9.	Depreciation & Amortization	701	752	557	929	873	-5.34%	-6.78%
10.	Total Operating Taxes	544	355	176	14	309	15.19%	53.24%
11.	Total Expenses, Depr. & Taxes	5,273	4,600	4,218	4,116	3,914	7.74%	14.63%
12.	Operating Income	<u>\$946</u>	<u>\$627</u>	<u>\$746</u>	<u>\$579</u>	<u>\$530</u>	<u>15.59%</u>	<u>50.88%</u>
13.	Net Plant Investment	<u>\$6,964</u>	<u>\$6,351</u>	<u>\$6,256</u>	<u>\$6,274</u>	<u>\$5,659</u>	<u>5.32%</u>	<u>9.65%</u>
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14.	Oper. Exp. as a % of Total Revenue	64.77%	66.83%	70.21%	67.58%	61.48%	1.31%	-3.08%
15.	Net Plt. Investment per \$ of Revenue	\$1.12	\$1.22	\$1.26	\$1.34	\$1.27	-3.09%	-8.20%
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16.	Local Access Lines:							
17.	Residential	7	7	6	6	6	3.93%	0.00%
18.	Business	2	2	2	1	1	18.92%	0.00%
19.	Total Local Access Lines	9	9	8	7	7	6.48%	0.00%
20.	Total Access Lines:							
21.	Residential	7	7	6	6	6	3.93%	0.00%
22.	Business	2	2	2	1	1	18.92%	0.00%
23.	Total Access Lines	9	9	8	7	7	6.48%	0.00%
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24.	Estimated Overall Rate of Return	15.01%	12.54%	12.01%	5.84%	11.34%	7.26%	19.70%
25.	Estimated Return on Common Equity	23.94%	18.10%	20.03%	5.97%	17.11%	8.76%	32.27%
26.	Common Equity Ratio	49.89%	47.08%	42.44%	39.41%	46.43%	1.81%	5.97%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.08	3.84	3.67	3.03	5.07	8.71%	84.38%
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28.	LAST RATE CASE	Authorized Return on Common Equity: 16.50%		Equity Ratio: 16.92%		Date of Order: 11-26-79		

Notes: [1] Rates are set on a total company basis.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Columns (e) - (f)] which is from past Commission Surveillance Reports.

NORTH STATE TELEPHONE COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
Total Company Utility Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$27,093	\$22,637	\$18,672	\$17,025	\$15,488	15.00%	19.68%
3.	Network Access	28,455	28,822	28,856	24,855	22,693	5.82%	6.09%
4.	Long Distance Message	2,161	3,035	5,587	5,546	5,174	-19.61%	-28.80%
5.	Miscellaneous	6,739	5,946	5,816	5,334	4,880	8.40%	13.34%
6.	Uncollectibles	(585)	(492)	(369)	(375)	(497)	4.16%	18.90%
7.	Total Operating Revenue	<u>63,863</u>	<u>57,948</u>	<u>58,562</u>	<u>52,385</u>	<u>47,738</u>	7.55%	10.21%
8.	Operating Expenses	26,426	26,501	25,697	24,816	24,513	1.90%	-0.28%
9.	Depreciation & Amortization	13,570	11,507	10,929	9,129	8,200	13.42%	17.93%
10.	Total Operating Taxes	10,381	8,813	8,345	7,429	6,078	14.33%	17.79%
11.	Total Expenses, Depr. & Taxes	<u>50,377</u>	<u>46,821</u>	<u>44,971</u>	<u>41,374</u>	<u>38,789</u>	6.75%	7.59%
12.	Other Operating (Income) & Expense	(329)	(85)	(528)	1,769	(140)	N/A	N/A
13.	Operating Income	<u>\$13,815</u>	<u>\$11,212</u>	<u>\$12,119</u>	<u>\$9,242</u>	<u>\$9,089</u>	11.03%	23.22%
14.	Net Plant Investment	<u>\$84,869</u>	<u>\$85,640</u>	<u>\$80,257</u>	<u>\$74,103</u>	<u>\$70,212</u>	4.85%	-0.90%
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	41.38%	45.73%	45.43%	47.37%	51.35%	-5.25%	-9.52%
16.	Net Plt. Investment per \$ of Revenue	\$1.33	\$1.48	\$1.42	\$1.41	\$1.47	-2.50%	-10.08%
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17.	Local Access Lines:							
18.	Residential	78	75	72	70	68	3.49%	4.00%
19.	Business	37	35	32	29	28	7.22%	5.71%
20.	Total Local Access Lines	<u>115</u>	<u>110</u>	<u>104</u>	<u>99</u>	<u>96</u>	4.62%	4.55%
21.	Total Access Lines:							
22.	Residential	78	75	72	70	68	3.49%	4.00%
23.	Business	38	35	32	30	28	7.93%	8.57%
24.	Total Access Lines	<u>116</u>	<u>110</u>	<u>104</u>	<u>100</u>	<u>96</u>	4.84%	5.45%
<hr/>								
25.	Estimated Overall Rate of Return	17.47%	14.73%	17.61%	12.08%	14.40%	4.95%	18.60%
26.	Estimated Return on Common Equity	18.04%	15.24%	18.51%	14.77%	16.09%	4.57%	18.37%
27.	Common Equity Ratio	94.99%	93.91%	92.50%	92.55%	91.89%	0.89%	1.15%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	123.19	79.70	74.99	43.42	23.80	51.15%	54.57%
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29.	LAST RATE CASE	Authorized Return on Common Equity: N/A			Equity Ratio: N/A	Date of Order: 6-13-52		

Notes: [1] Rates are set on a total company basis.
[2] Net plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 25 - 28, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that data is not available or not applicable or that information is, essentially, unmeaningful.

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