

"Quarterly Review"

Selected Financial and Operational Data:

Re:

Electric Companies

- ***Carolina Power & Light Company,
d/b/a Progress Energy Carolinas, Inc.***
- ***Dominion North Carolina Power***
- ***Duke Power, a Division of Duke Energy Corporation***
- ***Nantahala Power and Light Company***

Natural Gas Local Distribution Companies

- ***North Carolina Natural Gas***
- ***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***
- ***LEXCOM Telephone Company***
- ***MEBTEL Communications***
- ***North State Communications***
- ***Verizon South Inc.***

■ ***Quarter Ending June 30, 2005*** ■



State of North Carolina

Utilities Commission

4325 Mail Service Center
Raleigh, NC 27699-4325

COMMISSIONERS
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ROBERT V. OWENS, JR.
SAM J. ERVIN, IV

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DR. ROBERT K. KOGER

December 5, 2005

MEMORANDUM

TO: Chairman Jo Anne Sanford
Commissioner Robert V. Owens, Jr.
Commissioner Sam J. Ervin, IV
Commissioner Lorinzo L. Joyner
Commissioner James Y. Kerr, II
Commissioner Howard N. Lee
Commissioner Robert K. Koger

FROM: Donald R. Hoover, Director *DRH*
Operations Division

The Operations Division hereby presents for your consideration the *Quarterly Review* for the calendar quarter ending June 30, 2005. Such report, which has been prepared by the Operations Division, presents an overview of selected financial and operational information and data for 17 major investor-owned public utilities regulated by the Commission.

In this Report, the nature of the information provided for two of the eight price regulated telephone companies, specifically Mebtel Communications and North State Communications, has changed from that previously provided. Such information now presents the two companies financial and operational data on a total North Carolina combined basis, which includes both regulated and nonregulated operations, and which is now consistent with the information being reported by the other six price regulated telephone companies.

Should you have questions concerning the report, Freda Hilburn or I will be pleased to be of assistance.

Thank you for your consideration.

DRH/FHH/dhh

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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 17 major investor-owned public utilities regulated by the North Carolina Utilities Commission (Commission): four electric companies, three 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, except for the eight price regulated telephone companies for which only two years of data are presented. From a general viewpoint, the individual company overviews, excluding to a certain extent those of the price regulated telephone companies, for which information is strictly limited, 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.

Significant changes have taken place with regard to reporting requirements for the price regulated telephone companies, effective for reporting periods beginning with calendar year 2003, as a result of further relaxed regulation of the telecommunications industry. Due to these changes, the financial and operational data submitted to the Commission by such companies are significantly less comprehensive than that previously provided. In consideration of the foregoing and to accommodate the new format in which data for the price regulated telephone companies will now be presented, data for years prior to 2003 are not included herein for the price regulated telephone companies.

The aforementioned reporting requirement changes for the price regulated telephone companies were implemented by Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, in response to passage of Senate Bill 814 (An Act to Clarify the Law Regarding Competitive and Deregulated Offerings of Telecommunications Services), and as previously indicated, were effective for reporting periods beginning with calendar year 2003. Specifically, in the present regard, the April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the TS-1 Report previously submitted annually by the price regulated telephone companies. Consequently, beginning with the 4th quarter 2003 *Quarterly Review*, which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided. Further, the information provided by the eight price regulated telephone companies is presented on a total North Carolina combined basis, including both their regulated and nonregulated operations, as that is what is now being provided to the Commission.

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. Under rate base, rate of return regulation, 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 an added 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 receive and respond to any questions or comments.

Part II

A Review of Key Financial Ratios

- ***Summary Statement of Key Financial Ratios For Nine Selected Companies For The Twelve Months Ended June 30, 2005— Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Debt Ratios — And Certain Rate Case Data***

- ***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. 236-243 from November 2004 Through October 2005***

**Summary Statement
Of Key Financial Ratios Achieved By
And Authorized For Selected Companies**

"Estimated Returns on Common Equity, Overall Rates of Return,
Common Equity Capitalization Ratios, and Debt Ratios are for Twelve Months Ended June 30, 2005,
Except for Certain Telecommunications Companies - See Note [1]"

"Rate Case Data are from Orders with Various Issue Dates as Indicated in Column (i)"

Line No.	Item (a)	Estimated for 12 Months Ended 06/30/05				Authorized - Last Rate Case			
		Return On Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Debt Ratio (e)	Return On Equity (f)	Overall Rate of Return (g)	Equity Ratio (h)	Date of Last Order (i)
Electric Companies									
1.	Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.	8.36%	7.12%	50.21%	48.86%	12.75%	10.45%	44.00%	08/05/1988
2.	Dominion North Carolina Power	10.70%	8.01%	47.88%	45.72%	N/A	N/A	N/A	03/18/2005
3.	Duke Power, a Division of Duke Energy Corporation	11.42%	8.44%	53.81%	44.89%	12.50%	10.44%	49.82%	11/12/1991
4.	Nantahala Power and Light Company	7.68%	7.52%	53.81%	44.89%	12.10%	10.32%	56.11%	06/18/1993
Natural Gas Local Distribution Companies									
5.	North Carolina Natural Gas	8.62%	7.72%	55.06%	44.94%	N/A	9.04%	N/A	11/03/2005
6.	Piedmont Natural Gas Company, Inc.	10.51%	8.75%	55.06%	44.94%	N/A	9.04%	N/A	11/03/2005
7.	Public Service Company of North Carolina, Inc.	9.13%	7.90%	51.01%	48.99%	11.40%	9.82%	51.91%	10/30/1998
Telecommunications Companies									
Rate of Return Regulated Companies									
8.	Citizens Telephone Company	9.90%	9.54%	74.84%	25.16%	12.70%	10.11%	44.95%	02/26/1991
9.	LEXCOM Telephone Company	13.13%	13.00%	97.67%	2.33%	16.25%	12.77%	37.22%	06/14/1982
Price Plan Regulated Companies --- Data is not available. See Note [1] ---									
10.	ALLTEL Carolina, Inc.								
11.	BellSouth Telecommunications, Inc.								
12.	Carolina Telephone and Telegraph Company								
13.	Central Telephone Company								
14.	Concord Telephone Company								
15.	MEBTTEL Communications								
16.	North State Communications								
17.	Verizon South Inc.								

NOTES:

- [1] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings and certain other data for the price regulated telephone companies are no longer provided.
- [2] N/A denotes that the data is not available.
- [3] In its March 18, 2005 Order Approving Stipulation, the Commission did not make certain determinations with respect to Dominion North Carolina Power's (Dominion's) capital structure and rates of return. The Commission concluded that the stipulation presented an appropriate resolution of the contested matters in the rate case proceeding and resulted in just and reasonable rates for Dominion, without making specific findings regarding rate base, operating revenues and expenses, the overall rate of return, and the return on common equity.
- [4] In its November 3, 2005 Order Approving Partial Rate Increase and Requiring Conservation Initiative, the Commission authorized the consolidation of the operations, revenues, rate bases, and expenses of North Carolina Natural Gas, Piedmont Natural Gas Company, Inc., and Eastern North Carolina Natural Gas into a single regulated entity. In said Order, the Commission made specific findings regarding the combined rate bases, operating revenues and expenses, and the overall rate of return; however, specific findings relating to the combined capital structure and return on common equity were not provided therein.

**Summary Statement
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"Estimated Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Debt Ratios are for
Twelve Months Ended June 30, 2005, Except for Certain Telecommunications Companies - See Note [1]"

NOTES - continued

NOTES: [5] In 2004, Standard & Poor's Rating Services assigned new business profile scores to U.S. utility and power companies including investor-owned electric, natural gas, and water utilities in the U.S. and excluding telecommunications utilities, to better reflect the relative business risk among companies in the U.S. utility and power companies sector. The business profile scores assess the qualitative attributes of a company, with "1" being considered lowest risk and "10" highest risk. As of June 2004 the overall median business profile score is "5". The range was 2 to 7 for the six utilities which are, in part, regulated by the North Carolina Utilities Commission included in the June 2004 article published by Standard & Poor's.

For most companies in this sector, business profile scores are assessed using five categories; specifically, "regulation, markets, operations, competitiveness, and management". The emphasis placed on each category may be influenced by the dominant strategy of the company or other factors. For example, for a regulated transmission and distribution company, regulation may account for 30% to 40% of the business profile score because regulation can be the single-most important credit driver for this type of company. Conversely, competition, which may not exist for a transmission and distribution company, would provide a much lower proportion (e.g., 5% to 15%) of the business profile.

In 2004, Standard & Poor's also revised the key financial guidelines that it uses as an integral part of evaluating the credit quality of U.S. utility and power companies. The financial guidelines for three principal ratios: (1) funds from operations interest coverage, (2) funds from operations to total debt, and (3) total debt to total capital were broadened to be more flexible; and pretax interest coverage as a key credit ratio was eliminated. The rating analysis performed by Standard & Poor's not only takes into account these three financial ratios and other financial ratios that do not have published guidelines for each rating category; but it is also influenced by other factors, including (1) effectiveness of liability and liquidity management, (2) analysis of internal funding sources, (3) return on invested capital, (4) the record of execution of stated business strategies, (5) accuracy of projected performance versus actual results, as well as the trend, (6) assessment of management's financial policies and attitude toward credit, and (7) corporate governance practices.

The published guidelines, as of June 2004, for the three aforementioned financial ratios are, according to Standard & Poor's, only guidelines associated with expectations for various rating levels. Such guidelines, which remain current as of November 2005, for business profiles 1-10 are set forth below:

Funds from operations/interest coverage (x)

Business Profile*	AA		A		BBB		BB	
1	3	2.5	2.5	1.5	1.5	1		
2	4	3	3	2	2	1		
3	4.5	3.5	3.5	2.5	2.5	1.5	1.5	1
4	5	4.2	4.2	3.5	3.5	2.5	2.5	1.5
5	5.5	4.5	4.5	3.8	3.8	2.8	2.8	1.8
6	6	5.2	5.2	4.2	4.2	3	3	2
7	8	6.5	6.5	4.5	4.5	3.2	3.2	2.2
8	10	7.5	7.5	5.5	5.5	3.5	3.5	2.5
9			10	7	7	4	4	2.8
10			11	8	8	5	5	3

*See Standard & Poor's Rating Services' publications for explanation of this score.

Funds from operations/total debt (%)

Business Profile*	AA		A		BBB		BB	
1	20	15	15	10	10	5		
2	25	20	20	12	12	8		
3	30	25	25	15	15	10	10	5
4	35	28	28	20	20	12	12	8
5	40	30	30	22	22	15	15	10
6	45	35	35	28	28	18	18	12
7	55	45	45	30	30	20	20	15
8	70	55	55	40	40	25	25	15
9			65	45	45	30	30	20
10			70	55	55	40	40	25

*See Standard & Poor's Rating Services' publications for explanation of this score.

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NOTES - continued

NOTES: Total debt/total capital (%):

Business Profile*	AA		A		BBB		BB	
1	48	55	55	60	60	70		
2	45	52	52	58	58	68		
3	42	50	50	55	55	65	65	70
4	38	45	45	52	52	62	62	68
5	35	42	42	50	50	60	60	65
6	32	40	40	48	48	58	58	62
7	30	38	38	45	45	55	55	60
8	25	35	35	42	42	52	52	58
9			32	40	40	50	50	55
10			25	35	35	48	48	52

*See Standard & Poor's Ratings Services' publications for explanation of this score.

[6] Selected financial market indicators from "Moody's Credit Perspectives", Volume 98, No. 43, October 31, 2005 follow:

Part I

Line No.	Date (a)	U.S. Treasury Securities			Dealer- Placed 3-Month CP %	Moody's Long-Term Corporate Bond Yield %
		3-Month Bill %	10-Year Note %	30-Year Bond %		
		(b)	(c)	(d)	(e)	(f)
1.	October 21, 2005	3.76	4.46	4.68	4.11	5.71
2.	October 24, 2005	3.78	4.45	4.66	4.10	5.77
3.	October 25, 2005	3.84	4.51	4.71	4.11	5.82
4.	October 26, 2005	3.81	4.59	4.79	4.13	5.91
5.	October 27, 2005	3.81	4.56	4.77	4.13	5.88
6.	Month of September 2005	3.42	4.18	4.46	3.79	5.53
7.	Month of August 2005	3.43	4.25	4.46	3.69	5.49

Part II

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

Line No.	Rating (a)	10/27/2005 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	Sep. 2005 (e)	Aug. 2005 (f)
1.	Aaa	-	-	-	-	-
2.	Aa	5.60	5.79	5.05	5.27	5.23
3.	A	5.91	5.97	5.40	5.52	5.50
4.	Baa	6.20	6.17	5.70	5.83	5.80

[7] According to "Moody's Credit Perspectives", Volume 98, No. 43 as of 12/10/01 the "Aaa" Utilities Index will be discontinued indefinitely.

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Twelve Months Ended June 30, 2005, Except for Certain Telecommunications Companies - See Note [1]"

NOTES - continued

NOTES: [8] Selected financial market indicators from "Moody's Credit Perspectives", Volume 98, No. 43, October 31, 2005 follow
- continued:

Part III

New offerings by public utilities – listing is all inclusive for week of October 31, 2005:

<u>Line No.</u>	<u>Company Name</u> (a)	<u>Amount</u> (b)	<u>Term</u> (c)	<u>Yield</u>		<u>Rating</u> (f)
				<u>Current</u> (d)	<u>Maturity</u> (e)	
1.	Puget Sound Energy, Inc.	\$150 Million	10 Years	5.197%	5.197%	Baa2
2.	Columbus Southern Power Company	\$250 Million	30 Years	5.85%	5.93%	A3
3.	Monongahela Power Company	\$70 Million	10 Years	5.375%	5.40%	Baa3
4.	NTELCOS Holding Corp.	\$135 Million	8 Years	Floating	-	Caa1
5.	Entergy Louisiana, Inc.	\$150 Million	5 Years	5.83%	5.83%	Baa1
6.	PSI Energy, Inc.	\$350 Million	10 Years	6.12%	5.89%	Baa1
7.	PPL Energy Supply, LLC	\$300 Million	30 Years	5.70%	5.91%	Baa2

[9] Floating – No other information was reported with respect to the cost rate for this offering.

**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. 236-243, from November 2004 through October 2005
(Statement Is All Inclusive With Respect To Returns Published)**

<u>Line No.</u>	<u>Company (Jurisdiction)</u> (a)	<u>Authorized Common Equity</u> (b)	<u>Returns Overall</u> (c)	<u>Date Of Order</u> (d)	<u>Volume No. Public Utilities Reports</u> (e)
<i>Electric Companies</i>					
1.	PacifiCorp., d/b/a Pacific Power and Light Co. (WA)	N/A	8.39%	10/27/2004	Volume 236
2.	Avista Corporation (ID)	10.40%	9.25%	10/08/2004	Volume 236
3.	The Detroit Edison Co. (MI)	11.00%	7.24%	11/23/2004	Volume 237
4.	PPL Electric Utilities Corporation (PA)	10.70%	8.43%	12/22/2004	Volume 237
5.	South Carolina Electric and Gas Company (SC)	10.70%	8.64%	01/06/2005	Volume 238
6.	Puget Sound Energy, Inc. (WA)	10.30%	8.40%	02/18/2005	Volume 239
7.	Madison Gas and Electric Company (WI)	11.50%	9.18%	12/22/2004	Volume 239
8.	PacifiCorp (UT)	10.50%	8.37%	02/25/2005	Volume 239
9.	Interstate Power and Light Company (IA)	10.70%	N/A	01/14/2005	Volume 239
10.	Aquila, Inc. d/b/a Aquila Networks - WPK (KS)	10.50%	8.73%	01/28/2005	Volume 239
11.	Arizona Public Service Company (AZ)	10.25%	N/A	04/07/2005	Volume 240
12.	Central Vermont Public Service Corporation (VT)	10.00%	N/A	03/29/2005	Volume 241
13.	Arizona Public Service Company (AZ)	10.25%	N/A	04/07/2005	Volume 241
14.	Public Service Company of New Hampshire (NH)	N/A	9.63%	06/08/2005	Volume 242
15.	Wisconsin Power and Light Company (WI)	11.50%	N/A	07/19/2005	Volume 242
16.	Idaho Power Company (ID)	10.00%	N/A	07/28/2005	Volume 243
<i>Natural Gas Local Distribution Companies</i>					
17.	Southern Indiana Gas and Electric Company, Inc., d/b/a Vectren Energy Delivery of Indiana, Inc. (IN)	10.50%	7.41%	06/30/2004	Volume 236
18.	Southwest Gas Corporation (NV)	10.50%	N/A	08/26/2004	Volume 236
19.	South Beloit Water, Gas, and Electric Company (IL)	9.87%	8.41%	10/06/2004	Volume 236
20.	Avista Corporation (ID)	10.40%	9.25%	10/08/2004	Volume 236

**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. 236-243, from November 2004 through October 2005
(Statement Is All Inclusive With Respect To Returns Published)**

<u>Line No.</u>	<u>Company (Jurisdiction)</u> (a)	<u>Authorized Returns</u>		<u>Date Of Order</u> (d)	<u>Volume No. Public Utilities Reports</u> (e)
		<u>Common Equity</u> (b)	<u>Overall</u> (c)		
<i>Natural Gas Local Distribution Companies (continued)</i>					
21.	Chattanooga Gas Company (TN)	10.20%	7.43%	10/20/2004	Volume 236
22.	Delta Natural Gas Company, Inc. (KY)	10.50%	7.92%	11/10/2004	Volume 237
23.	Illinois Gas Company (IL)	11.00%	7.44%	05/04/2005	Volume 241
24.	Northern States Power Company, d/b/a Xcel Energy (ND)	N/A	N/A	06/01/2005	Volume 241
25.	Illinois Power Company (IL)	10.00%	8.18%	05/17/2005	Volume 241
26.	Atlanta Gas Light Company (GA)	10.90%	8.53%	06/10/2005	Volume 242
27.	Wisconsin Power and Light Company (WI)	11.50%	N/A	07/19/2005	Volume 242
28.	National Fuel Gas Distribution Corporation (NY)	N/A	N/A	07/22/2005	Volume 242
29.	Consumers Gas Company (IL)	10.52%	8.02%	06/02/2005	Volume 243
<i>Water Companies</i>					
30.	Aqua Pennsylvania, Inc. (PA)	10.60%	8.57%	08/05/2004	Volume 236
31.	South Beloit Water, Gas, and Electric Company (IL)	9.64%	8.39%	10/06/2004	Volume 236
32.	Indiana - American Water Company, Inc. (IN)	9.25%	7.17%	11/18/2004	Volume 238
33.	New York Water Service Corporation (NY)	N/A	N/A	04/26/2005	Volume 241
34.	United Water Idaho, Inc. (ID)	10.30%	8.36%	08/02/2005	Volume 243
35.	Carolina Water Service, Inc. (SC)	9.10%	8.02%	06/22/2005	Volume 243

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, d/b/a
Progress Energy Carolinas, Inc.***
 - ***Dominion North Carolina Power***
 - ***Duke Power, a Division of Duke Energy Corporation***
 - ***Nantahala Power and Light Company***

- ***Natural Gas Local Distribution Companies***
 - ***North Carolina Natural Gas***
 - ***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***
 - ***LEXCOM Telephone Company***
 - ***MEBTEL Communications***
 - ***North State Communications***
 - ***Verizon South Inc.***

**CAROLINA POWER & LIGHT COMPANY, d/b/a
PROGRESS ENERGY CAROLINAS, INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts In Thousands)**

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2005 (b)	June 2004 (c)	June 2003 (d)	June 2002 (e)	June 2001 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,615,615	\$2,612,384	\$2,593,319	\$2,412,131	\$2,379,508	2.39%	0.12%
2.	Operating Expenses:							
3.	Fuel	605,492	627,195	596,968	488,367	455,807	7.36%	-3.46%
4.	Purchased Power	203,168	215,203	236,029	248,224	250,363	-5.09%	-5.59%
5.	Maintenance	166,441	150,194	173,516	150,747	141,460	4.15%	10.82%
6.	Other Operating Expenses	<u>515,892</u>	<u>445,506</u>	<u>420,420</u>	<u>399,744</u>	<u>395,286</u>	<u>6.88%</u>	<u>15.80%</u>
7.	Total Operating Expenses	1,490,993	1,438,098	1,426,933	1,287,082	1,242,916	4.65%	3.68%
8.	Depreciation & Amortization	<u>470,769</u>	<u>410,834</u>	<u>409,747</u>	<u>384,550</u>	<u>533,438</u>	<u>-3.08%</u>	<u>14.59%</u>
9.	Total Expenses & Depreciation	1,961,762	1,848,932	1,836,680	1,671,632	1,776,354	2.51%	6.10%
10.	Total Operating Taxes	<u>309,282</u>	<u>359,446</u>	<u>360,857</u>	<u>340,245</u>	<u>285,619</u>	<u>2.01%</u>	<u>-13.96%</u>
11.	Total Expenses, Depr. & Taxes	<u>2,271,044</u>	<u>2,208,378</u>	<u>2,197,537</u>	<u>2,011,877</u>	<u>2,061,973</u>	<u>2.44%</u>	<u>2.84%</u>
12.	Operating Income	<u>\$344,571</u>	<u>\$404,006</u>	<u>\$395,782</u>	<u>\$400,254</u>	<u>\$317,535</u>	<u>2.06%</u>	<u>-14.71%</u>
13.	Net Plant Investment	<u>\$4,703,105</u>	<u>\$4,668,993</u>	<u>\$4,628,506</u>	<u>\$4,366,397</u>	<u>\$4,339,365</u>	<u>2.03%</u>	<u>0.73%</u>
14.	Oper. Exp. as a % of Total Revenue	57.00%	55.05%	55.02%	53.36%	52.23%	2.21%	3.54%
15.	Net Plt. Investment per \$ of Revenue	\$1.80	\$1.79	\$1.78	\$1.81	\$1.82	-0.28%	0.56%
16.	Number of Customers Served (000s included):							
17.	Residential	1,009,968	987,574	968,261	949,117	925,731	2.20%	2.27%
18.	Commercial	180,625	175,637	170,001	167,253	162,921	2.61%	2.84%
19.	Industrial	3,589	3,676	3,761	3,859	4,119	-3.38%	-2.37%
20.	Other	<u>2,087</u>	<u>2,224</u>	<u>2,299</u>	<u>2,342</u>	<u>2,362</u>	<u>-3.05%</u>	<u>-6.16%</u>
21.	Total Number of Customers	<u>1,196,269</u>	<u>1,169,111</u>	<u>1,144,322</u>	<u>1,122,571</u>	<u>1,095,133</u>	<u>2.23%</u>	<u>2.32%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	13,601	13,755	13,491	12,215	12,534	2.06%	-1.12%
24.	Commercial	11,228	11,121	10,870	10,377	10,160	2.53%	0.96%
25.	Industrial	9,616	9,544	9,747	9,916	10,606	-2.42%	0.75%
26.	Other	<u>2,253</u>	<u>3,703</u>	<u>5,039</u>	<u>3,957</u>	<u>3,652</u>	<u>-11.37%</u>	<u>-39.16%</u>
27.	Total Sales	<u>36,698</u>	<u>38,123</u>	<u>39,147</u>	<u>36,465</u>	<u>36,952</u>	<u>-0.17%</u>	<u>-3.74%</u>
28.	Estimated Overall Rate of Return	7.12%	8.77%	8.84%	9.32%	7.95%	-2.72%	-18.81%
29.	Estimated Return on Common Equity	8.36%	11.52%	11.57%	12.02%	9.01%	-1.85%	-27.43%
30.	Common Equity Ratio	50.21%	50.66%	50.79%	48.64%	48.62%	0.81%	-0.89%
31.	Debt Ratio	48.86%	48.43%	48.28%	50.47%	50.44%	-0.79%	0.89%
32.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.65	4.65	4.75	4.18	3.40	1.79%	-21.51%
33.	LAST RATE CASE	Authorized Returns: Common Equity 12.75%, Overall 10.45%; Equity Ratio: 44.00%; Date of Order: 8-5-88						

Notes: [1] North Carolina retail jurisdictional revenue equates to 71% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.

DOMINION 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	
		June 2005 (b)	June 2004 (c)	June 2003 (d)	June 2002 (e)	June 2001 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$282,672	\$269,641	\$261,225	\$248,676	\$244,262	3.72%	4.83%
2.	Operating Expenses:							
3.	Fuel	62,679	51,320	41,903	46,210	36,720	14.30%	22.13%
4.	Purchased Power	57,975	54,339	62,807	45,324	49,829	3.86%	6.69%
5.	Maintenance	0	0	0	0	0	N/A	N/A
6.	Other Operating Expenses	<u>64,673</u>	<u>51,870</u>	<u>44,063</u>	<u>52,679</u>	<u>44,668</u>	<u>9.68%</u>	<u>24.68%</u>
7.	Total Operating Expenses	185,327	157,529	148,773	144,213	131,237	9.01%	17.65%
8.	Depreciation & Amortization	<u>28,235</u>	<u>25,133</u>	<u>24,034</u>	<u>29,438</u>	<u>27,000</u>	<u>1.12%</u>	<u>12.34%</u>
9.	Total Expenses & Depreciation	213,562	182,662	172,807	173,651	158,237	7.78%	16.92%
10.	Total Operating Taxes	<u>29,922</u>	<u>42,087</u>	<u>38,072</u>	<u>35,312</u>	<u>40,134</u>	<u>-7.08%</u>	<u>-28.90%</u>
11.	Total Expenses, Depr. & Taxes	<u>243,484</u>	<u>224,749</u>	<u>210,879</u>	<u>208,963</u>	<u>198,371</u>	<u>5.26%</u>	<u>8.34%</u>
12.	Operating Income	<u>\$39,188</u>	<u>\$44,892</u>	<u>\$50,346</u>	<u>\$39,713</u>	<u>\$45,891</u>	<u>-3.87%</u>	<u>-12.71%</u>
13.	Net Plant Investment	<u>\$605,545</u>	<u>\$553,069</u>	<u>\$518,391</u>	<u>\$409,272</u>	<u>\$425,343</u>	<u>9.23%</u>	<u>9.49%</u>
14.	Oper. Exp. as a % of Total Revenue	65.56%	58.42%	56.95%	57.99%	53.73%	5.10%	12.22%
15.	Net Plt. Investment per \$ of Revenue	\$2.14	\$2.05	\$1.98	\$1.65	\$1.74	5.31%	4.39%
16.	Number of Customers Served (000s included):							
17.	Residential	98,135	96,899	95,876	94,521	92,680	1.44%	1.28%
18.	Commercial	15,398	15,204	15,200	14,745	14,356	1.77%	1.28%
19.	Industrial	70	80	79	83	89	-5.83%	-12.50%
20.	Other	<u>2,254</u>	<u>2,248</u>	<u>2,284</u>	<u>2,140</u>	<u>2,146</u>	<u>1.24%</u>	<u>0.27%</u>
21.	Total Number of Customers	<u>115,857</u>	<u>114,431</u>	<u>113,419</u>	<u>111,489</u>	<u>109,271</u>	<u>1.47%</u>	<u>1.25%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,484	1,482	1,454	1,272	1,375	1.93%	0.13%
24.	Commercial	767	755	749	709	702	2.24%	1.59%
25.	Industrial	1,766	1,656	1,617	1,530	1,339	7.16%	6.64%
26.	Other	<u>150</u>	<u>152</u>	<u>148</u>	<u>132</u>	<u>137</u>	<u>2.29%</u>	<u>-1.32%</u>
27.	Total Sales	<u>4,167</u>	<u>4,045</u>	<u>3,968</u>	<u>3,643</u>	<u>3,553</u>	<u>4.07%</u>	<u>3.02%</u>
28.	Estimated Overall Rate of Return	8.01%	9.96%	11.02%	9.66%	11.11%	-7.85%	-19.58%
29.	Estimated Return on Common Equity	10.70%	14.40%	15.91%	13.38%	15.75%	-9.21%	-25.69%
30.	Common Equity Ratio	47.88%	48.25%	48.27%	46.52%	47.16%	0.38%	-0.77%
31.	Debt Ratio	45.72%	47.33%	45.23%	47.43%	45.20%	0.29%	-3.40%
32.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.35	5.75	5.35	4.65	5.25	-4.59%	-24.35%

33. **LAST RATE CASE** Authorized Returns: Common Equity - N/A, Overall - N/A; Equity Ratio: N/A; Date of Order: 03-18-05

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.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.
[5] This schedule reflects certain revised data for 2001 - 2004 [Columns (c) - (f)], as provided by Dominion, and as previously reported in Appendix A (Page 4 of 5) of the Commission's Quarterly Review, for the quarter ending December 31, 2004, issued on August 8, 2005.

DUKE POWER, A DIVISION OF DUKE ENERGY CORPORATION
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2005 (b)	June 2004 (c)	June 2003 (d)	June 2002 (e)	June 2001 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$3,448,027	\$3,468,018	\$3,447,283	\$3,209,866	\$3,232,448	1.63%	-0.58%
2.	Operating Expenses:							
3.	Fuel	635,322	622,841	565,774	501,612	486,766	6.89%	2.00%
4.	Purchased Power	63,669	290,588	291,807	283,686	311,761	-32.78%	-78.09%
5.	Maintenance	338,744	318,342	370,268	293,051	306,436	2.54%	6.41%
6.	Other Operating Expenses	<u>627,510</u>	<u>649,522</u>	<u>646,095</u>	<u>685,544</u>	<u>688,807</u>	<u>-2.30%</u>	<u>-3.39%</u>
7.	Total Operating Expenses	1,665,245	1,881,293	1,873,944	1,763,893	1,793,770	-1.84%	-11.48%
8.	Depreciation & Amortization	<u>789,520</u>	<u>550,247</u>	<u>471,641</u>	<u>414,172</u>	<u>387,769</u>	<u>19.45%</u>	<u>43.48%</u>
9.	Total Expenses & Depreciation	2,454,765	2,431,540	2,345,585	2,178,065	2,181,539	2.99%	0.96%
10.	Total Operating Taxes	<u>440,457</u>	<u>460,675</u>	<u>469,703</u>	<u>462,661</u>	<u>478,944</u>	<u>-2.07%</u>	<u>-4.39%</u>
11.	Total Expenses, Depr. & Taxes	<u>2,895,222</u>	<u>2,892,215</u>	<u>2,815,288</u>	<u>2,640,726</u>	<u>2,660,483</u>	<u>2.14%</u>	<u>0.10%</u>
12.	Operating Income	<u>\$552,805</u>	<u>\$575,803</u>	<u>\$631,995</u>	<u>\$569,140</u>	<u>\$571,965</u>	<u>-0.85%</u>	<u>-3.99%</u>
13.	Net Plant Investment	<u>\$8,077,892</u>	<u>\$7,707,449</u>	<u>\$7,033,642</u>	<u>\$6,613,383</u>	<u>\$6,471,513</u>	<u>5.70%</u>	<u>4.81%</u>
14.	Oper. Exp. as a % of Total Revenue	48.30%	54.25%	54.36%	54.95%	55.49%	-3.41%	-10.97%
15.	Net Plt. Investment per \$ of Revenue	\$2.34	\$2.22	\$2.04	\$2.06	\$2.00	4.00%	5.41%
16.	Number of Customers Served (000s included):							
17.	Residential	1,412,190	1,384,455	1,360,518	1,369,449	1,332,230	1.47%	2.00%
18.	Commercial	230,477	226,140	220,969	218,581	211,783	2.14%	1.92%
19.	Industrial	5,637	5,683	5,858	6,039	6,232	-2.48%	-0.81%
20.	Other	<u>10,860</u>	<u>9,589</u>	<u>8,675</u>	<u>8,349</u>	<u>8,165</u>	<u>7.39%</u>	<u>13.25%</u>
21.	Total Number of Customers	<u>1,659,164</u>	<u>1,625,867</u>	<u>1,596,020</u>	<u>1,602,418</u>	<u>1,558,410</u>	<u>1.58%</u>	<u>2.05%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	18,124	18,541	18,258	17,041	17,228	1.28%	-2.25%
24.	Commercial	19,306	19,357	18,860	18,457	17,916	1.89%	-0.26%
25.	Industrial	15,106	14,731	15,428	15,478	16,926	-2.80%	2.55%
26.	Other	<u>880</u>	<u>2,382</u>	<u>4,019</u>	<u>218</u>	<u>236</u>	<u>38.96%</u>	<u>-63.06%</u>
27.	Total Sales	<u>53,416</u>	<u>55,011</u>	<u>56,565</u>	<u>51,184</u>	<u>52,306</u>	<u>0.53%</u>	<u>-2.90%</u>
28.	Estimated Overall Rate of Return	8.44%	9.28%	10.63%	9.79%	10.17%	-4.55%	-9.05%
29.	Estimated Return on Common Equity	11.42%	12.66%	14.43%	12.48%	12.50%	-2.23%	-9.79%
30.	Common Equity Ratio	53.61%	54.69%	55.77%	61.25%	58.44%	-2.13%	-1.97%
31.	Debt Ratio	44.89%	43.81%	42.78%	36.75%	38.97%	3.60%	2.47%
32.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.39	5.91	6.11	7.02	5.64	-1.13%	-8.80%
33.	LAST RATE CASE	Authorized Returns: Common Equity 12.50%, Overall 10.44%; Equity Ratio: 49.82%; Date of Order: 11-12-91						

Notes: [1] North Carolina retail jurisdictional revenue equates to 69% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.
[4] Schedule reflects certain revised data for 2001 [Column (f)], as provided by Duke, and as previously reported in the Commission's "Quarterly Review" Revisions issued on June 20, 2003.
[5] The estimated ROE impacts of the BPM net revenues under the sharing arrangement approved in Docket No. E-7, Sub 751 are as follows for the 12-month periods ending June 30th: 2005 - 0.50%; 2004 - 0.35%; 2003 - N/A; 2002 - N/A; and 2001 - N/A. (N/A denotes not applicable). Such impacts are not included in the estimated ROEs presented on Line 29 above.

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	
		June 2005 (b)	June 2004 (c)	June 2003 (d)	June 2002 (e)	June 2001 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$84,290	\$81,919	\$79,274	\$73,885	\$72,906	3.69%	2.89%
2.	Operating Expenses:							
3.	Purchased Power	38,045	36,239	34,584	31,174	30,843	5.39%	4.98%
4.	Maintenance	7,605	5,860	7,156	6,362	5,905	6.53%	29.78%
5.	Other Operating Expenses	<u>6,854</u>	<u>7,194</u>	<u>7,972</u>	<u>10,406</u>	<u>8,625</u>	<u>-5.58%</u>	<u>-4.73%</u>
6.	Total Operating Expenses	52,504	49,293	49,712	47,942	45,373	3.72%	6.51%
7.	Depreciation & Amortization	<u>9,783</u>	<u>8,857</u>	<u>8,233</u>	<u>7,583</u>	<u>6,766</u>	<u>9.66%</u>	<u>10.46%</u>
8.	Total Expenses & Depreciation	62,287	58,150	57,945	55,525	52,139	4.55%	7.11%
9.	Total Operating Taxes	<u>8,694</u>	<u>9,263</u>	<u>9,388</u>	<u>7,271</u>	<u>8,473</u>	<u>0.65%</u>	<u>-6.14%</u>
10.	Total Expenses, Depr. & Taxes	<u>70,981</u>	<u>67,413</u>	<u>67,333</u>	<u>62,796</u>	<u>60,612</u>	<u>4.03%</u>	<u>5.29%</u>
11.	Operating Income	<u>\$13,309</u>	<u>\$14,506</u>	<u>\$11,941</u>	<u>\$11,089</u>	<u>\$12,294</u>	<u>2.00%</u>	<u>-8.25%</u>
12.	Net Plant Investment	<u>\$201,413</u>	<u>\$195,815</u>	<u>\$190,760</u>	<u>\$173,880</u>	<u>\$165,280</u>	<u>5.07%</u>	<u>2.86%</u>
13.	Oper. Exp. as a % of Total Revenue	62.29%	60.17%	62.71%	64.89%	62.23%	0.02%	3.52%
14.	Net Plt. Investment per \$ of Revenue	\$2.39	\$2.39	\$2.41	\$2.35	\$2.27	1.30%	0.00%
15.	Number of Customers Served (000s included):							
16.	Residential	61,327	60,043	58,555	57,327	55,912	2.34%	2.14%
17.	Commercial	7,021	7,045	6,971	6,940	6,905	0.42%	-0.34%
18.	Industrial	13	13	13	13	15	-3.51%	0.00%
19.	Other	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>0.00%</u>	<u>0.00%</u>
20.	Total Number of Customers	<u>68,372</u>	<u>67,112</u>	<u>65,550</u>	<u>64,291</u>	<u>62,843</u>	<u>2.13%</u>	<u>1.88%</u>
21.	Annual Sales Volume: (Millions kWh)							
22.	Residential	618	614	591	552	559	2.54%	0.65%
23.	Commercial	436	429	422	396	379	3.56%	1.63%
24.	Industrial	129	121	118	118	127	0.39%	6.61%
25.	Other	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0.00%</u>	<u>0.00%</u>
26.	Total Sales	<u>1,185</u>	<u>1,166</u>	<u>1,133</u>	<u>1,068</u>	<u>1,067</u>	<u>2.66%</u>	<u>1.63%</u>
27.	Estimated Overall Rate of Return	7.52%	8.17%	6.90%	6.78%	8.09%	-1.81%	-7.96%
28.	Estimated Return on Common Equity	7.68%	8.87%	6.66%	6.44%	8.59%	-2.21%	-13.42%
29.	Common Equity Ratio	53.61%	54.69%	65.62%	62.54%	59.63%	-2.63%	-1.97%
30.	Debt Ratio	44.89%	43.81%	34.38%	37.46%	40.37%	2.69%	2.47%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.11	3.52	4.02	3.30	3.82	-5.01%	-11.65%
32.	LAST RATE CASE	Authorized Returns: Common Equity 12.10%, Overall 10.32%; Equity Ratio: 56.11%; Date of Order: 6-18-93						

Notes: [1] North Carolina retail jurisdictional revenue equates to 97% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2005 (b)	June 2004 (c)	June 2003 (d)	June 2002 (e)	June 2001 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$97,654	\$86,658	\$68,493	\$50,897	\$81,119	4.75%	12.69%
3.	Commercial	76,323	65,209	46,627	36,130	56,232	7.94%	17.04%
4.	Industrial	54,634	59,294	113,543	51,098	100,915	-14.22%	-7.86%
5.	Public Authorities	0	189	2,122	1,706	2,824	N/A	N/A
6.	Resale	21,192	25,332	44,612	14,839	39,347	-14.33%	-16.34%
7.	Other	56,648	59,011	99,995	107,794	111,395	-15.55%	-4.00%
8.	Total Operating Revenue	<u>306,451</u>	<u>295,693</u>	<u>375,392</u>	<u>262,464</u>	<u>391,832</u>	<u>-5.96%</u>	<u>3.64%</u>
9.	Cost of Gas	<u>187,643</u>	<u>199,394</u>	<u>286,543</u>	<u>179,446</u>	<u>324,693</u>	<u>-12.81%</u>	<u>-5.89%</u>
10.	Margin	118,808	96,299	88,849	83,018	67,139	15.34%	23.37%
11.	O & M Expenses	52,994	53,587	172,962	46,065	42,332	5.78%	-1.11%
12.	Other Deductions	<u>36,643</u>	<u>27,447</u>	<u>27,542</u>	<u>25,226</u>	<u>25,498</u>	<u>9.49%</u>	<u>33.50%</u>
13.	Operating Income	<u>\$29,171</u>	<u>\$15,265</u>	<u>(\$111,655)</u>	<u>\$11,727</u>	<u>(\$691)</u>	N/A	91.10%
14.	Net Plant Investment	<u>\$472,023</u>	<u>\$451,371</u>	<u>\$377,733</u>	<u>\$352,174</u>	<u>\$299,142</u>	<u>12.08%</u>	<u>4.58%</u>
15.	Operating Exp. as a % of Margin	44.60%	55.65%	194.67%	55.49%	63.05%	-8.29%	-19.86%
16.	Net Plt. Investment per \$ of Margin	\$3.97	\$4.69	\$4.25	\$4.24	\$4.46	-2.87%	-15.35%
17.	Gas Delivered in DTs (000s omitted):							
18.	Residential	6,994	7,276	7,159	5,486	7,015	-0.07%	-3.88%
19.	Commercial	6,567	6,453	5,927	4,975	5,956	2.47%	1.77%
20.	Industrial	6,316	8,843	20,069	13,015	14,766	-19.13%	-28.58%
21.	Public Authorities	0	18	268	232	286	N/A	N/A
22.	Resale	2,107	3,888	7,313	2,582	4,855	-18.83%	-45.81%
23.	Other	<u>42,251</u>	<u>36,811</u>	<u>23,641</u>	<u>32,711</u>	<u>19,249</u>	<u>21.72%</u>	<u>14.78%</u>
24.	Total DTs	<u>64,235</u>	<u>63,289</u>	<u>64,377</u>	<u>59,001</u>	<u>52,127</u>	<u>5.36%</u>	<u>1.49%</u>
25.	Number of Customers (000s included):							
26.	Residential	109,749	105,659	104,168	104,219	100,133	2.32%	3.87%
27.	Commercial	15,109	14,561	14,309	14,302	13,853	2.19%	3.76%
28.	Industrial	472	472	324	347	381	5.50%	0.00%
29.	Public Authorities	0	0	4,031	4,179	4,267	N/A	N/A
30.	Resale	3	8	57,472	55,607	53,834	-91.36%	-62.50%
31.	Other	<u>230</u>	<u>99</u>	<u>114</u>	<u>17</u>	<u>117</u>	<u>18.41%</u>	<u>132.32%</u>
32.	Total Number of Customers	<u>125,563</u>	<u>120,799</u>	<u>180,418</u>	<u>178,671</u>	<u>172,585</u>	<u>-7.64%</u>	<u>3.94%</u>
33.	Estimated Overall Rate of Return	7.72%	3.98%	4.04%	4.83%	4.81%	12.56%	93.97%
34.	Estimated Return on Common Equity	8.62%	2.78%	1.82%	2.80%	2.39%	37.81%	210.07%
35.	Common Equity Ratio	55.06%	54.66%	50.80%	48.64%	45.19%	5.06%	0.73%
36.	Debt Ratio	44.94%	45.34%	48.27%	50.47%	53.95%	-4.47%	-0.88%
37.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.64	2.01	1.51	1.64	1.41	26.76%	81.09%
38.	LAST RATE CASE	Authorized Returns: Common Equity - N/A, Overall 9.04%; Equity Ratio: N/A; Date of Order: 11-03-05						

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.
[4] Data provided in Columns (b) and (c), Lines 33-37 is based on calculations derived from use of Piedmont Natural Gas Company, Inc.'s capital structure. The acquisition of North Carolina Natural Gas Corporation by Piedmont Natural Gas Company, Inc. from Carolina Power and Light Company was approved by the Commission on June 26, 2003.
[5] Data provided in Columns (d), (e) and (f), Lines 33-37, is based on calculations derived from use of Carolina Power & Light Company's capital structure. The acquisition of North Carolina Natural Gas Corporation by Carolina Power & Light Company was approved by the Commission on July 13, 1999.
[6] N/A denotes that 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 Jurisdiction
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2005 (b)	June 2004 (c)	June 2003 (d)	June 2002 (e)	June 2001 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$354,921	\$342,898	\$311,306	\$219,319	\$321,554	2.50%	3.51%
3.	Commercial	182,537	174,460	154,070	103,430	168,705	1.99%	4.63%
4.	Industrial	47,042	47,869	42,860	31,481	93,289	-15.73%	-1.73%
5.	Public Authorities	362	400	502	477	2,651	-39.21%	-9.50%
6.	Resale	5	9	9	5	0	N/A	-44.44%
7.	Other	<u>26,786</u>	<u>26,690</u>	<u>26,424</u>	<u>25,158</u>	<u>17,998</u>	<u>10.45%</u>	<u>0.36%</u>
8.	Total Operating Revenue	<u>611,653</u>	<u>592,326</u>	<u>535,171</u>	<u>379,870</u>	<u>604,197</u>	<u>0.31%</u>	<u>3.26%</u>
9.	Cost of Gas	<u>402,180</u>	<u>384,029</u>	<u>334,020</u>	<u>193,985</u>	<u>421,720</u>	<u>-1.18%</u>	<u>4.73%</u>
10.	Margin	209,473	208,297	201,151	185,885	182,477	3.51%	0.56%
11.	O & M Expenses	89,083	85,118	85,584	77,892	78,504	3.21%	4.66%
12.	Other Deductions	<u>65,179</u>	<u>66,378</u>	<u>60,473</u>	<u>56,125</u>	<u>52,245</u>	<u>5.69%</u>	<u>-1.81%</u>
13.	Operating Income	<u>\$55,211</u>	<u>\$56,801</u>	<u>\$55,094</u>	<u>\$51,868</u>	<u>\$51,728</u>	<u>1.64%</u>	<u>-2.80%</u>
14.	Net Plant Investment	<u>\$783,539</u>	<u>\$750,197</u>	<u>\$640,446</u>	<u>\$612,901</u>	<u>\$584,518</u>	<u>7.60%</u>	<u>4.44%</u>
15.	Operating Exp. as a % of Margin	42.53%	40.86%	42.55%	41.90%	43.02%	-0.29%	4.09%
16.	Net Plt. Investment per \$ of Margin	\$3.74	\$3.60	\$3.18	\$3.30	\$3.20	3.98%	3.89%
17.	Gas Delivered in DTs (000s omitted):							
18.	Residential	28,482	30,012	32,114	24,386	28,919	-0.38%	-5.10%
19.	Commercial	17,229	17,732	18,912	14,457	18,098	-1.22%	-2.84%
20.	Industrial	5,158	5,831	6,123	5,473	13,662	-21.61%	-11.54%
21.	Public Authorities	34	41	61	61	256	-39.63%	-17.07%
22.	Resale	0	0	0	0	0	N/A	N/A
23.	Other	<u>29,757</u>	<u>28,225</u>	<u>28,537</u>	<u>27,836</u>	<u>17,795</u>	<u>13.72%</u>	<u>5.43%</u>
24.	Total DTs	<u>80,660</u>	<u>81,841</u>	<u>85,747</u>	<u>72,213</u>	<u>78,730</u>	<u>0.61%</u>	<u>-1.44%</u>
25.	Number of Customers (000s included):							
26.	Residential	431,836	416,457	405,923	382,924	368,814	4.02%	3.69%
27.	Commercial	46,774	45,716	44,836	42,731	41,632	2.95%	2.31%
28.	Industrial	1,447	1,456	1,487	1,488	1,685	-3.74%	-0.62%
29.	Public Authorities	571	821	858	1,168	1,334	-19.11%	-30.45%
30.	Resale	0	1	1	1	0	N/A	N/A
31.	Other	<u>351</u>	<u>355</u>	<u>353</u>	<u>354</u>	<u>351</u>	<u>0.00%</u>	<u>-1.13%</u>
32.	Total Number of Customers	<u>480,979</u>	<u>464,806</u>	<u>453,458</u>	<u>428,666</u>	<u>413,816</u>	<u>3.83%</u>	<u>3.48%</u>
33.	Estimated Overall Rate of Return	8.75%	9.23%	8.88%	8.64%	8.88%	-0.37%	-5.20%
34.	Estimated Return on Common Equity	10.51%	11.00%	10.09%	9.66%	10.03%	1.18%	-4.45%
35.	Common Equity Ratio	55.06%	54.51%	54.19%	52.92%	50.66%	2.10%	1.01%
36.	Debt Ratio	44.94%	45.49%	45.81%	47.08%	49.34%	-2.31%	-1.21%
37.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.21	4.04	3.62	3.35	3.10	7.95%	4.21%
38.	LAST RATE CASE	Authorized Returns: Common Equity - N/A, Overall 9.04%; Equity Ratio: N/A; Date of Order: 11-03-05						

Notes: [1] North Carolina retail jurisdictional revenue equates to 38% 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.

[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 Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2005 (b)	June 2004 (c)	June 2003 (d)	June 2002 (e)	June 2001 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$329,388	\$303,439	\$273,005	\$200,184	\$299,088	2.44%	8.55%
3.	Commercial	159,231	145,002	125,326	89,990	145,141	2.34%	9.81%
4.	Industrial	13,727	8,859	10,098	7,909	13,239	0.91%	54.95%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	7	14	9	7	7	0.00%	-50.00%
7.	Other	<u>48,405</u>	<u>62,098</u>	<u>48,787</u>	<u>42,344</u>	<u>48,459</u>	<u>-0.03%</u>	<u>-22.05%</u>
8.	Total Operating Revenue	<u>550,758</u>	<u>519,412</u>	<u>457,225</u>	<u>340,434</u>	<u>505,934</u>	<u>2.14%</u>	<u>6.03%</u>
9.	Cost of Gas	<u>370,920</u>	<u>342,951</u>	<u>284,610</u>	<u>172,623</u>	<u>336,101</u>	<u>2.49%</u>	<u>8.16%</u>
10.	Margin	179,838	176,461	172,615	167,811	169,833	1.44%	1.91%
11.	O & M Expenses	79,726	76,968	73,389	70,443	64,384	5.49%	3.58%
12.	Other Deductions	<u>56,162</u>	<u>55,662</u>	<u>55,987</u>	<u>59,470</u>	<u>68,363</u>	<u>-4.80%</u>	<u>0.90%</u>
13.	Operating Income	<u>\$43,950</u>	<u>\$43,831</u>	<u>\$43,239</u>	<u>\$37,898</u>	<u>\$37,086</u>	<u>4.34%</u>	<u>0.27%</u>
14.	Net Plant Investment	<u>\$594,280</u>	<u>\$575,140</u>	<u>\$559,910</u>	<u>\$539,710</u>	<u>\$478,655</u>	<u>5.56%</u>	<u>3.33%</u>
15.	Operating Exp. as a % of Margin	44.33%	43.62%	42.52%	41.98%	37.91%	3.99%	1.63%
16.	Net Plt. Investment per \$ of Margin	\$3.30	\$3.26	\$3.24	\$3.22	\$2.82	4.01%	1.23%
17.	Gas Delivered in DTs (000s omitted):							
18.	Residential	24,207	24,787	25,974	20,442	24,647	-0.45%	-2.34%
19.	Commercial	14,406	14,430	14,819	12,164	14,676	-0.46%	-0.17%
20.	Industrial	1,549	1,111	1,496	1,342	1,521	0.46%	39.42%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22.	Resale	1	1	1	1	0	N/A	0.00%
23.	Other	<u>30,082</u>	<u>29,903</u>	<u>29,209</u>	<u>31,318</u>	<u>28,549</u>	<u>1.32%</u>	<u>0.60%</u>
24.	Total DTs	<u>70,245</u>	<u>70,232</u>	<u>71,499</u>	<u>65,267</u>	<u>69,393</u>	<u>0.31%</u>	<u>0.02%</u>
25.	Number of Customers (000s included):							
26.	Residential	366,641	351,377	340,380	327,724	317,465	3.67%	4.34%
27.	Commercial	37,599	36,643	35,894	34,945	42,857	-3.22%	2.61%
28.	Industrial	49	51	43	48	1,569	-57.96%	-3.92%
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30.	Resale	3	3	3	4	4	-6.94%	0.00%
31.	Other	<u>394</u>	<u>404</u>	<u>406</u>	<u>419</u>	<u>486</u>	<u>-5.11%</u>	<u>-2.48%</u>
32.	Total Number of Customers	<u>404,686</u>	<u>388,478</u>	<u>376,726</u>	<u>363,140</u>	<u>362,381</u>	<u>2.80%</u>	<u>4.17%</u>
33.	Estimated Overall Rate of Return	7.90%	8.17%	8.37%	8.95%	11.02%	-7.98%	-3.30%
34.	Estimated Return on Common Equity	9.13%	10.07%	10.48%	11.04%	14.93%	-11.57%	-9.33%
35.	Common Equity Ratio	51.01%	49.03%	47.84%	48.07%	47.96%	1.55%	4.04%
36.	Debt Ratio	48.99%	50.97%	52.16%	51.93%	52.04%	-1.50%	-3.88%
37.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.34	3.49	3.44	3.37	4.04	-4.65%	-4.30%
38.	LAST RATE CASE	Authorized Returns: Common Equity 11.40%. Overall 9.82%; Equity Ratio: 51.91%; Date of Order: 10-30-98						

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.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

ALLTEL CAROLINA, INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended		Annual Growth Rate Current Year (d)
		December 2004 (b)	December 2003 (c)	
1.	Operating Revenue:			
2.	Basic Local Service	\$72,927	\$73,988	-1.43%
3.	Network Access	60,130	58,024	3.63%
4.	Long Distance Message	3,894	4,036	-3.52%
5.	Miscellaneous	16,469	17,028	-3.28%
6.	Uncollectibles	<u>(1,242)</u>	<u>(1,364)</u>	<u>-8.94%</u>
7.	Total Operating Revenue	<u>152,178</u>	<u>151,712</u>	<u>0.31%</u>
8.	Operating Expenses	60,856	61,130	-0.45%
9.	Depreciation & Amortization	31,743	30,209	5.08%
10.	Total Operating Taxes	<u>17,514</u>	<u>16,905</u>	<u>3.60%</u>
11.	Total Expenses, Depr. & Taxes	<u>110,113</u>	<u>108,244</u>	<u>1.73%</u>
12.	Operating Income	<u>\$42,065</u>	<u>\$43,468</u>	<u>-3.23%</u>
13.	Net Telecommunications Plant	<u>\$255,558</u>	<u>\$260,066</u>	<u>-1.73%</u>
14.	Oper. Exp. as a % of Total Revenue	39.99%	40.29%	-0.74%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.68	\$1.71	-1.75%

Notes: [1] ALLTEL Carolina, Inc. elected price regulation in June 1998.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Reports.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2004 - \$9,882,424; and 2003 - \$12,273,102.

BELLSOUTH TELECOMMUNICATIONS, INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended		Annual Growth Rate Current Year (d)
		December 2004 (b)	December 2003 (c)	
1.	Operating Revenue:			
2.	Basic Local Service	\$846,870	\$929,148	-8.86%
3.	Network Access	512,073	521,277	-1.77%
4.	Long Distance Message	22,747	23,603	-3.63%
5.	Miscellaneous	221,007	197,878	11.69%
6.	Uncollectibles	<u>(26,672)</u>	<u>(30,816)</u>	<u>-13.45%</u>
7.	Total Operating Revenue	<u>1,576,025</u>	<u>1,641,090</u>	<u>-3.96%</u>
8.	Operating Expenses	763,606	777,313	-1.76%
9.	Depreciation & Amortization	436,997	457,424	-4.47%
10.	Total Operating Taxes	<u>140,534</u>	<u>154,937</u>	<u>-9.30%</u>
11.	Total Expenses, Depr. & Taxes	<u>1,341,137</u>	<u>1,389,674</u>	<u>-3.49%</u>
12.	Operating Income	<u>\$234,888</u>	<u>\$251,416</u>	<u>-6.57%</u>
13.	Net Telecommunications Plant	<u>\$2,312,145</u>	<u>\$2,452,004</u>	<u>-5.70%</u>
14.	Oper. Exp. as a % of Total Revenue	48.45%	47.37%	2.28%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.47	\$1.49	-1.34%

Notes: [1] BellSouth Telecommunications, Inc. elected price regulation in June 1996.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Reports.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2004 - \$7,630,000; and 2003 - \$5,347,000.

CAROLINA TELEPHONE AND TELEGRAPH COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended		Annual Growth Rate Current Year (d)
		December 2004 (b)	December 2003 (c)	
1.	Operating Revenue:			
2.	Basic Local Service	\$397,964	\$409,309	-2.77%
3.	Network Access	298,888	279,714	6.85%
4.	Long Distance Message	8,146	6,959	-11.68%
5.	Miscellaneous	163,799	176,686	-7.29%
6.	Uncollectibles	<u>(12,598)</u>	<u>(6,647)</u>	<u>89.53%</u>
7.	Total Operating Revenue	<u>854,199</u>	<u>866,021</u>	<u>-1.37%</u>
8.	Operating Expenses	459,569	489,586	-6.13%
9.	Depreciation & Amortization	110,084	154,692	-28.84%
10.	Total Operating Taxes	<u>113,408</u>	<u>78,335</u>	<u>44.77%</u>
11.	Total Expenses, Depr. & Taxes	<u>683,061</u>	<u>722,613</u>	<u>-5.47%</u>
12.	Operating Income	<u>\$171,138</u>	<u>\$143,408</u>	<u>19.34%</u>
13.	Net Telecommunications Plant	<u>\$846,614</u>	<u>\$798,533</u>	<u>6.02%</u>
14.	Oper. Exp. as a % of Total Revenue	53.80%	56.53%	-4.83%
15.	Net Telecomm. Plt. per \$ of Revenue	\$0.99	\$0.92	7.61%

Notes: [1] Carolina Telephone and Telegraph Company elected price regulation in June 1996.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Reports.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2004 - \$35,942,000; and 2003 - \$49,620,000.

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

Line No.	Item (a)	12 Months Ended		Annual Growth Rate
		December 2004 (b)	December 2003 (c)	Current Year (d)
1.	Operating Revenue:			
2.	Basic Local Service	\$94,075	\$99,464	-5.42%
3.	Network Access	56,879	55,305	2.85%
4.	Long Distance Message	3,099	3,425	-9.52%
5.	Miscellaneous	30,091	28,744	4.69%
6.	Uncollectibles	<u>(2,218)</u>	<u>(1,790)</u>	<u>23.91%</u>
7.	Total Operating Revenue	<u>181,926</u>	<u>185,148</u>	<u>-1.74%</u>
8.	Operating Expenses	99,372	101,946	-2.52%
9.	Depreciation & Amortization	44,237	39,776	11.22%
10.	Total Operating Taxes	<u>12,587</u>	<u>19,889</u>	<u>-36.71%</u>
11.	Total Expenses, Depr. & Taxes	<u>156,196</u>	<u>161,611</u>	<u>-3.35%</u>
12.	Operating Income	<u>\$25,730</u>	<u>\$23,537</u>	<u>9.32%</u>
13.	Net Telecommunications Plant	<u>\$264,452</u>	<u>\$281,727</u>	<u>-6.13%</u>
14.	Oper. Exp. as a % of Total Revenue	54.62%	55.06%	-0.80%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.45	\$1.52	-4.61%

Notes: [1] Central Telephone Company elected price regulation in June 1996.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Reports.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2004 - \$6,910,000; and 2003 - \$11,493,000.

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

Line No.	Item (a)	12 Months Ended				June 2001 (f)	Annual	Rate
		June 2005 (b)	June 2004 (c)	June 2003 (d)	June 2002 (e)		Growth Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$5,608	\$5,838	\$5,782	\$5,687	\$5,479	0.58%	-3.94%
3.	Network Access	3,855	3,727	4,414	4,017	3,037	6.14%	3.43%
4.	Long Distance Message	1,107	1,106	1,204	1,278	1,337	-4.61%	0.09%
5.	Miscellaneous	1,134	1,119	1,098	1,063	1,035	2.31%	1.34%
6.	Uncollectibles	(13)	(21)	(19)	(21)	(11)	4.26%	-38.10%
7.	Total Operating Revenue	<u>11,691</u>	<u>11,769</u>	<u>12,479</u>	<u>12,024</u>	<u>10,877</u>	<u>1.82%</u>	<u>-0.66%</u>
8.	Operating Expenses	5,559	5,114	4,923	4,350	4,403	6.00%	8.70%
9.	Depreciation & Amortization	2,603	2,520	2,375	2,335	3,702	-8.43%	3.29%
10.	Total Operating Taxes	<u>1,133</u>	<u>1,566</u>	<u>1,625</u>	<u>1,819</u>	<u>929</u>	<u>5.09%</u>	<u>-27.65%</u>
11.	Total Expenses, Depr. & Taxes	<u>9,295</u>	<u>9,200</u>	<u>8,923</u>	<u>8,504</u>	<u>9,034</u>	<u>0.71%</u>	<u>1.03%</u>
12.	Operating Income	<u>\$2,396</u>	<u>\$2,569</u>	<u>\$3,556</u>	<u>\$3,520</u>	<u>\$1,843</u>	<u>6.78%</u>	<u>-6.73%</u>
13.	Net Plant Investment	<u>\$27,346</u>	<u>\$26,607</u>	<u>\$24,805</u>	<u>\$23,943</u>	<u>\$22,281</u>	<u>5.25%</u>	<u>2.78%</u>
14.	Oper. Exp. as a % of Total Revenue	47.55%	43.45%	39.45%	36.18%	40.48%	4.11%	9.44%
15.	Net Plt. Investment per \$ of Revenue	\$2.34	\$2.26	\$1.99	\$1.99	\$2.05	3.36%	3.54%
16.	Total Access Lines (000s included):							
17.	Residential	16,831	16,991	17,013	17,184	17,086	-0.38%	-0.94%
18.	Business	<u>4,406</u>	<u>4,327</u>	<u>4,344</u>	<u>4,316</u>	<u>4,292</u>	<u>0.66%</u>	<u>1.83%</u>
19.	Total Access Lines	<u>21,237</u>	<u>21,318</u>	<u>21,357</u>	<u>21,500</u>	<u>21,378</u>	<u>-0.17%</u>	<u>-0.38%</u>
20.	Estimated Overall Rate of Return	9.54%	10.32%	14.64%	14.95%	8.23%	3.76%	-7.56%
21.	Estimated Return on Common Equity	9.90%	11.02%	17.25%	18.12%	8.19%	4.85%	-10.16%
22.	Common Equity Ratio	74.84%	72.89%	70.61%	67.62%	65.42%	3.42%	2.68%
23.	Debt Ratio	25.16%	27.11%	29.39%	32.38%	34.58%	-7.64%	-7.19%
24.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.83	7.20	8.47	7.98	3.74	16.25%	-5.14%
25.	LAST RATE CASE	Authorized Returns: Common Equity 12.70%, Overall 10.11%; Equity Ratio: 44.95%; Date of Order: 2-26-91						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 69% 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.

CONCORD TELEPHONE COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended		Annual Growth Rate
		December 2004 (b)	December 2003 (c)	Current Year (d)
1.	Operating Revenue:			
2.	Basic Local Service	\$48,296	\$51,581	-6.37%
3.	Network Access	29,766	30,866	-3.56%
4.	Long Distance Message	2,839	3,928	-27.72%
5.	Miscellaneous	12,313	9,891	24.49%
6.	Uncollectibles	(222)	(395)	-43.80%
7.	Total Operating Revenue	<u>92,992</u>	<u>95,871</u>	<u>-3.00%</u>
8.	Operating Expenses	46,291	43,956	5.31%
9.	Depreciation & Amortization	22,077	22,928	-3.71%
10.	Total Operating Taxes	<u>10,193</u>	<u>10,096</u>	<u>0.96%</u>
11.	Total Expenses, Depr. & Taxes	<u>78,561</u>	<u>76,980</u>	<u>2.05%</u>
12.	Operating Income	<u>\$14,431</u>	<u>\$18,891</u>	<u>-23.61%</u>
13.	Net Telecommunications Plant	<u>\$83,704</u>	<u>\$83,897</u>	<u>-0.23%</u>
14.	Oper. Exp. as a % of Total Revenue	49.78%	45.85%	8.57%
15.	Net Telecomm. Plt. per \$ of Revenue	\$0.90	\$0.88	2.27%

Notes: [1] Concord Telephone Company elected price regulation in June 1997.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Reports.

[4] Net Telecommunications Plant reflects net plant in service for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: **2004** - \$3,557,940; and **2003** - \$1,819,772.

LEXCOM TELEPHONE COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
Total Company Utility Operations
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual	
		June 2005 (b)	June 2004 (c)	June 2003 (d)	June 2002 (e)	June 2001 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$12,568	\$12,580	\$13,435	\$13,638	\$13,212	-1.24%	-0.10%
3.	Network Access	5,405	5,273	4,947	4,330	3,567	10.95%	2.50%
4.	Long Distance Message	173	185	298	316	338	-15.42%	-6.49%
5.	Miscellaneous	2,402	2,210	2,361	2,695	3,648	-9.92%	8.69%
6.	Uncollectibles	(244)	(237)	(173)	(313)	(165)	10.27%	2.95%
7.	Total Operating Revenue	<u>20,304</u>	<u>20,011</u>	<u>20,868</u>	<u>20,666</u>	<u>20,600</u>	<u>-0.36%</u>	<u>1.46%</u>
8.	Operating Expenses	6,748	7,204	7,900	7,578	7,662	-3.13%	-6.33%
9.	Depreciation & Amortization	3,659	3,407	3,374	3,548	3,472	1.32%	7.40%
10.	Total Operating Taxes	<u>5,840</u>	<u>5,554</u>	<u>5,529</u>	<u>5,236</u>	<u>5,425</u>	<u>1.86%</u>	<u>5.15%</u>
11.	Total Expenses, Depr. & Taxes	<u>16,247</u>	<u>16,165</u>	<u>16,803</u>	<u>16,362</u>	<u>16,559</u>	<u>-0.47%</u>	<u>0.51%</u>
12.	Operating Income	<u>\$4,057</u>	<u>\$3,846</u>	<u>\$4,065</u>	<u>\$4,304</u>	<u>\$4,041</u>	<u>0.10%</u>	<u>5.49%</u>
13.	Net Plant Investment	<u>\$34,822</u>	<u>\$36,752</u>	<u>\$37,288</u>	<u>\$38,496</u>	<u>\$37,685</u>	<u>-1.96%</u>	<u>-5.25%</u>
14.	Oper. Exp. as a % of Total Revenue	33.23%	36.00%	37.86%	36.67%	37.19%	-2.78%	-7.69%
15.	Net Plt. Investment per \$ of Revenue	\$1.72	\$1.84	\$1.79	\$1.86	\$1.83	-1.54%	-6.52%
16.	Total Access Lines (000s included):							
17.	Residential	22,070	22,970	23,638	24,490	24,594	-2.67%	-3.92%
18.	Business	<u>8,543</u>	<u>8,875</u>	<u>8,904</u>	<u>9,157</u>	<u>9,267</u>	<u>-2.01%</u>	<u>-3.74%</u>
19.	Total Access Lines	<u>30,613</u>	<u>31,845</u>	<u>32,542</u>	<u>33,647</u>	<u>33,861</u>	<u>-2.49%</u>	<u>-3.87%</u>
20.	Estimated Overall Rate of Return	13.00%	11.89%	13.10%	12.85%	13.44%	-0.83%	9.34%
21.	Estimated Return on Common Equity	13.13%	11.96%	13.28%	13.06%	13.76%	-1.16%	9.78%
22.	Common Equity Ratio	97.67%	97.24%	96.70%	96.06%	94.57%	0.81%	0.44%
23.	Debt Ratio	2.33%	2.76%	3.30%	3.94%	5.42%	-19.03%	-15.58%
24.	Estimated Pre-tax Interest Coverage Ratio (Times)	165.53	99.17	114.17	89.15	65.37	26.15%	66.92%
25.	LAST RATE CASE	Authorized Returns: Common Equity 16.25%, Overall 12.77%; 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.

MEBTEL COMMUNICATIONS
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts in Thousands)

Line No.	Item	12 Months Ended		Annual Growth Rate Current Year
		December 2004	December 2003	
	(a)	(b)	(c)	(d)
1.	Operating Revenue:			
2.	Basic Local Service	\$4,753	\$4,922	-3.43%
3.	Network Access	3,931	3,652	7.64%
4.	Long Distance Message	107	133	-19.55%
5.	Miscellaneous	1,578	1,502	5.06%
6.	Uncollectibles	(24)	(69)	-65.22%
7.	Total Operating Revenue	<u>10,345</u>	<u>10,140</u>	<u>2.02%</u>
8.	Operating Expenses	5,251	4,987	5.29%
9.	Depreciation & Amortization	1,142	1,554	-26.51%
10.	Total Operating Taxes	<u>1,560</u>	<u>1,845</u>	<u>-15.45%</u>
11.	Total Expenses, Depr. & Taxes	<u>7,953</u>	<u>8,386</u>	<u>-5.16%</u>
12.	Operating Income	<u>\$2,392</u>	<u>\$1,754</u>	<u>36.37%</u>
13.	Net Telecommunications Plant	<u>\$10,646</u>	<u>\$10,931</u>	<u>-2.61%</u>
14.	Oper. Exp. as a % of Total Revenue	50.76%	49.18%	3.21%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.03	\$1.08	-4.63%

- Notes: [1] MEBTEL Communications elected price regulation in September 1999.
- [2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.
- [3] Source of Data: Annual Reports.
- [4] Net Telecommunications Plant reflects net plant for total North Carolina operations, including plant under construction as follows for the 12-month periods ending December 31st: 2004 - \$295,794; and 2003 - \$523,765.
- [5] Columns (b) and (c), Lines 1 through 15 have been revised to reflect financial and operational data on a total North Carolina combined basis, which includes both regulated and nonregulated operations, and which is now consistent with the information being reported by the other price regulated telephone companies included herein. The data previously presented for MEBTEL Communications, in prior *Quarterly Review* reports, related to regulated operations only.

NORTH STATE COMMUNICATIONS
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended		Annual Growth Rate Current Year (d)
		December 2004 (b)	December 2003 (c)	
1.	Operating Revenue:			
2.	Basic Local Service	\$36,873	\$36,793	0.22%
3.	Network Access	37,232	36,373	2.36%
4.	Long Distance Message	1,444	1,828	-21.01%
5.	Miscellaneous	31,270	28,415	10.05%
6.	Uncollectibles	(798)	(592)	34.80%
7.	Total Operating Revenue	<u>106,021</u>	<u>102,817</u>	3.12%
8.	Operating Expenses	58,444	56,776	2.94%
9.	Depreciation & Amortization	20,376	19,641	3.74%
10.	Total Operating Taxes	<u>11,260</u>	<u>10,942</u>	2.91%
11.	Total Expenses, Depr. & Taxes	<u>90,080</u>	<u>87,359</u>	3.11%
12.	Operating Income	<u>\$15,941</u>	<u>\$15,458</u>	3.12%
13.	Net Telecommunications Plant	<u>\$116,270</u>	<u>\$118,507</u>	-1.89%
14.	Oper. Exp. as a % of Total Revenue	55.12%	55.22%	-0.18%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.10	\$1.15	-4.35%

Notes: [1] North State Communications elected price regulation in December 2002.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Reports.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations, including plant under construction as follows for the 12-month periods ending December 31st: 2004 - \$1,916,334; and 2003 - \$146,211.

[5] Columns (b) and (c), Lines 1 through 15 have been revised to reflect financial and operational data on a total North Carolina combined basis, which includes both regulated and nonregulated operations, and which is now consistent with the information being reported by the other price regulated telephone companies included herein. The data previously presented for North State Communications, in prior *Quarterly Review* reports, related to regulated operations only.

VERIZON SOUTH INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	Item (a)	12 Month Ended		Annual Growth Rate
		December 2004 (b)	December 2003 (c)	Current Year (d)
1.	Operating Revenue:			
2.	Basic Local Service	\$124,187	\$127,385	-2.51%
3.	Network Access	119,511	123,594	-3.30%
4.	Long Distance Message	2,193	3,355	-34.63%
5.	Miscellaneous	37,205	41,743	-10.87%
6.	Uncollectibles	<u>(2,391)</u>	<u>(5,181)</u>	<u>-53.85%</u>
7.	Total Operating Revenue	<u>280,705</u>	<u>290,896</u>	<u>-3.50%</u>
8.	Operating Expenses	169,316	202,202	-16.26%
9.	Depreciation & Amortization	74,505	73,813	0.94%
10.	Total Operating Taxes	<u>(2,632)</u>	<u>(414)</u>	<u>535.75%</u>
11.	Total Expenses, Depr. & Taxes	<u>241,189</u>	<u>275,601</u>	<u>-12.49%</u>
12.	Operating Income	<u>\$39,516</u>	<u>\$15,295</u>	<u>158.36%</u>
13.	Net Telecommunications Plant	<u>\$396,523</u>	<u>\$428,739</u>	<u>-7.51%</u>
14.	Oper. Exp. as a % of Total Revenue	60.32%	69.51%	-13.22%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.41	\$1.47	-4.08%

Notes: [1] Verizon South, Inc. elected price regulation in June 1996.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Reports.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2004 - \$780,789; and 2003 - \$1,726,474.

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