OFFICIAL COPY

"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 September 30, 2005* ▪

State of North Carolina
Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4325

January 11, 2006

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 William T. Culpepper, III

FROM: Donald R. Hoover, Director DRH
Operations Division

The Operations Division hereby presents for your consideration the *Quarterly Review* for the calendar quarter ending September 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.

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 September 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. 236-244 from November 2004 Through November 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 September 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)"

		Estimated for 12 Months Ended 09/30/05				*Authorized - Last Rate Case*			
Line No.	Item (a)	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.	8.15%	6.99%	49.52%	49.56%	*12.75%*	*10.45%*	*44.00%*	*08/05/1988*
2.	Dominion North Carolina Power	8.10%	6.79%	47.85%	45.80%	*N/A*	*N/A*	*N/A*	*03/18/2005*
3.	Duke Power, a Division of Duke Energy Corporation	12.75%	9.17%	53.34%	45.16%	*12.50%*	*10.44%*	*49.82%*	*11/12/1991*
4.	Nantahala Power and Light Company	7.82%	7.58%	53.34%	45.16%	*12.10%*	*10.32%*	*56.11%*	*06/18/1993*
	Natural Gas Local Distribution Companies								
5.	North Carolina Natural Gas	7.96%	7.31%	54.59%	45.41%	*N/A*	*9.04%*	*N/A*	*11/03/2005*
6.	Piedmont Natural Gas Company, Inc.	10.26%	8.57%	54.59%	45.41%	*N/A*	*9.04%*	*N/A*	*11/03/2005*
7.	Public Service Company of North Carolina, Inc.	9.48%	8.09%	51.25%	48.75%	*11.40%*	*9.82%*	*51.91%*	*10/30/1998*
	Telecommunications Companies								
	Rate of Return Regulated Companies								
8.	Citizens Telephone Company	9.54%	9.28%	75.36%	24.64%	*12.70%*	*10.11%*	*44.95%*	*02/26/1991*
9.	LEXCOM Telephone Company	12.93%	12.82%	97.79%	2.21%	*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.	MEBTEL 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.

***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 December 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.

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 September 30, 2005, Except for Certain Telecommunications Companies - See Note [1]"

***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. 49, December 19, 2005 follow:

Part I

		U.S. Treasury Securities			Dealer-Placed 3-Month CP	Moody's Long-Term Corporate Bond Yield
Line No.	Date	3-Month Bill %	10-Year Note %	30-Year Bond %	%	%
	(a)	(b)	(c)	(d)	(e)	(f)
1.	December 9, 2005	3.94	4.52	4.72	4.36	5.90
2.	December 12, 2005	3.83	4.55	4.74	4.37	5.90
3.	December 13, 2005	3.84	4.53	4.73	4.38	5.90
4.	December 14, 2005	3.81	4.45	4.65	4.39	5.83
5.	December 15, 2005	3.84	4.47	4.68	4.44	5.84
6.	Month of November 2005	3.87	4.53	4.72	4.23	5.86
7.	Month of October 2005	3.69	4.46	4.68	4.05	5.77

Part II

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

			Past 12-Months		Monthly	
Line No.	Rating	12/15/2005	High	Low	Nov. 2005	Oct. 2005
	(a)	(b)	(c)	(d)	(e)	(f)
1.	Aaa	-	-	-	-	-
2.	Aa	5.59	5.78	5.05	5.59	5.50
3.	A	5.81	5.92	5.40	5.88	5.79
4.	Baa	6.16	6.19	5.70	6.19	6.08

[7] According to "Moody's Credit Perspectives", Volume 98, No. 49 as of 12/10/01 the "Aaa" Utilities Index will be discontinued indefinitely.

***NOTES** - continued*

NOTES: [8] Selected financial market indicators from "Moody's Credit Perspectives", Volume 98, No. 49, December 19, 2005 follow - continued:

Part III

New offerings by public utilities – listing is all inclusive for week of December 19, 2005:

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield Current (d)	Yield Maturity (e)	Rating (f)
1.	Union Electric Company	$260 Million	11 Years	5.40%	5.44%	A1
2.	Progress Energy Florida, Inc.	$450 Million	3 Years	Floating	4.88%	A3
3.	Indiana Michigan Power Company	$125 Million	10 Years	5.65%	5.66%	Baa2
4.	CMS Energy Corporation	$125 Million	10 Years	6.875%	6.875%	B1

[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. 236-244, from November 2004 through November 2005**
(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns Common Equity (b)	Overall (c)	Date Of Order (d)	Volume No. *Public Utilities Reports* (e)
	Electric Companies				
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
17.	Pacific Power and Light Company, d/b/a PacifiCorp (OR)	10.00%	N/A	09/28/2005	Volume 244
	Natural Gas Local Distribution Companies				
18.	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
19.	Southwest Gas Corporation (NV)	10.50%	N/A	08/26/2004	Volume 236
20.	South Beloit Water, Gas, and Electric Company (IL)	9.87%	8.41%	10/06/2004	Volume 236

Statement of Authorized Returns
On Common Equity and Overall Rates of Return
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(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns Common Equity (b)	Overall (c)	Date Of Order (d)	Volume No. *Public Utilities Reports* (e)
	Natural Gas Local Distribution Companies (continued)				
21.	Avista Corporation (ID)	10.40%	9.25%	10/08/2004	Volume 236
22.	Chattanooga Gas Company (TN)	10.20%	7.43%	10/20/2004	Volume 236
23.	Delta Natural Gas Company, Inc. (KY)	10.50%	7.92%	11/10/2004	Volume 237
24.	Illinois Gas Company (IL)	11.00%	7.44%	05/04/2005	Volume 241
25.	Northern States Power Company, d/b/a Xcel Energy (ND)	N/A	N/A	06/01/2005	Volume 241
26.	Illinois Power Company (IL)	10.00%	8.18%	05/17/2005	Volume 241
27.	Atlanta Gas Light Company (GA)	10.90%	8.53%	06/10/2005	Volume 242
28.	Wisconsin Power and Light Company (WI)	11.50%	N/A	07/19/2005	Volume 242
29.	National Fuel Gas Distribution Corporation (NY)	N/A	N/A	07/22/2005	Volume 242
30.	Consumers Gas Company (IL)	10.52%	8.02%	06/02/2005	Volume 243
	Water Companies				
31.	Aqua Pennsylvania, Inc. (PA)	10.60%	8.57%	08/05/2004	Volume 236
32.	South Beloit Water, Gas, and Electric Company (IL)	9.64%	8.39%	10/06/2004	Volume 236
33.	Indiana - American Water Company, Inc. (IN)	9.25%	7.17%	11/18/2004	Volume 238
34.	New York Water Service Corporation (NY)	N/A	N/A	04/26/2005	Volume 241
35.	United Water Idaho, Inc. (ID)	10.30%	8.36%	08/02/2005	Volume 243
36.	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)

		12 Months Ended					Annual Growth Rate	
Line No.	Item	September 2005	September 2004	September 2003	September 2002	September 2001	Four Year	Current Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue	$2,710,337	$2,585,101	$2,575,719	$2,462,574	$2,427,995	2.79%	4.84%
2.	Operating Expenses:							
3.	Fuel	625,317	614,481	613,488	515,606	459,719	7.99%	1.76%
4.	Purchased Power	242,747	213,168	217,782	255,169	261,657	-1.86%	13.88%
5.	Maintenance	171,485	149,797	181,607	152,744	142,376	4.76%	14.48%
6.	Other Operating Expenses	536,163	439,054	427,852	408,346	403,850	7.34%	22.12%
7.	Total Operating Expenses	1,575,712	1,416,500	1,440,729	1,331,865	1,267,602	5.59%	11.24%
8.	Depreciation & Amortization	467,489	407,777	416,724	372,908	542,241	-3.64%	14.64%
9.	Total Expenses & Depreciation	2,043,201	1,824,277	1,857,453	1,704,773	1,809,843	3.08%	12.00%
10.	Total Operating Taxes	319,572	361,485	345,721	350,112	291,058	2.36%	-11.59%
11.	Total Expenses, Depr. & Taxes	2,362,773	2,185,762	2,203,174	2,054,885	2,100,901	2.98%	8.10%
12.	Operating Income	$347,564	$399,339	$372,545	$407,689	$327,094	1.53%	-12.97%
13.	Net Plant Investment	$4,696,448	$4,641,698	$4,628,360	$4,542,198	$4,400,000	1.64%	1.18%
14.	Oper. Exp. as a % of Total Revenue	58.14%	54.79%	55.94%	54.08%	52.21%	2.73%	6.11%
15.	Net Plt. Investment per $ of Revenue	$1.73	$1.80	$1.80	$1.84	$1.81	-1.12%	-3.89%
16.	Number of Customers Served (000s included):							
17.	Residential	1,016,408	993,112	973,252	955,229	931,791	2.20%	2.35%
18.	Commercial	181,861	176,686	171,150	167,676	164,128	2.60%	2.93%
19.	Industrial	3,575	3,651	3,746	3,828	4,094	-3.33%	-2.08%
20.	Other	2,071	2,185	2,291	2,320	2,364	-3.25%	-5.22%
21.	Total Number of Customers	1,203,915	1,175,634	1,150,439	1,129,053	1,102,377	2.23%	2.41%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	14,196	13,736	13,451	12,634	12,625	2.98%	3.35%
24.	Commercial	11,459	11,180	10,888	10,597	10,234	2.87%	2.50%
25.	Industrial	9,561	9,639	9,600	9,933	10,321	-1.89%	-0.81%
26.	Other	2,350	3,479	4,485	4,166	3,984	-12.36%	-32.45%
27.	Total Sales	37,566	38,034	38,424	37,330	37,164	0.27%	-1.23%
28.	Estimated Overall Rate of Return	6.99%	8.64%	8.20%	9.42%	8.07%	-3.53%	-19.10%
29.	Estimated Return on Common Equity	8.15%	11.36%	10.22%	12.41%	9.13%	-2.80%	-28.26%
30.	Common Equity Ratio	49.52%	50.46%	51.24%	49.11%	48.31%	0.62%	-1.86%
31.	Debt Ratio	49.56%	48.64%	47.82%	49.99%	50.77%	-0.60%	1.89%
32.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.57	4.65	4.39	4.43	3.35	1.60%	-23.23%

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)	September 2005 (b)	September 2004 (c)	September 2003 (d)	September 2002 (e)	September 2001 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue	$288,080	$277,389	$260,440	$251,519	$249,942	3.61%	3.85%
2.	Operating Expenses:							
3.	Fuel	63,971	54,323	41,648	47,488	39,901	12.53%	17.76%
4.	Purchased Power	68,460	53,227	60,933	46,380	49,867	8.24%	28.62%
5.	Maintenance	0	0	0	0	0	N/A	N/A
6.	Other Operating Expenses	64,915	53,613	47,344	51,697	47,752	7.98%	21.08%
7.	Total Operating Expenses	197,346	161,163	149,925	145,565	137,520	9.45%	22.45%
8.	Depreciation & Amortization	28,725	25,254	23,697	28,877	26,443	2.09%	13.74%
9.	Total Expenses & Depreciation	226,071	186,417	173,622	174,442	163,963	8.36%	21.27%
10.	Total Operating Taxes	29,039	46,343	37,749	37,763	40,887	-8.20%	-37.34%
11.	Total Expenses, Depr. & Taxes	255,110	232,760	211,371	212,205	204,850	5.64%	9.60%
12.	Operating Income	$32,970	$44,629	$49,069	$39,314	$45,092	-7.53%	-26.12%
13.	Net Plant Investment	$602,696	$560,814	$514,488	$414,120	$433,046	8.62%	7.47%
14.	Oper. Exp. as a % of Total Revenue	68.50%	58.10%	57.57%	57.87%	55.02%	5.63%	17.90%
15.	Net Plt. Investment per $ of Revenue	$2.09	$2.02	$1.98	$1.65	$1.73	4.84%	3.47%
16.	Number of Customers Served (000s included):							
17.	Residential	98,555	97,217	96,206	94,873	92,680	1.55%	1.38%
18.	Commercial	15,415	15,246	15,279	15,064	14,356	1.80%	1.11%
19.	Industrial	69	79	79	83	89	-6.17%	-12.66%
20.	Other	2,256	2,246	2,271	2,153	2,146	1.26%	0.45%
21.	Total Number of Customers	116,295	114,788	113,835	112,173	109,271	1.57%	1.31%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,545	1,481	1,446	1,329	1,382	2.83%	4.32%
24.	Commercial	778	760	744	727	708	2.39%	2.37%
25.	Industrial	1,745	1,751	1,556	1,552	1,452	4.70%	-0.34%
26.	Other	150	153	149	136	137	2.29%	-1.96%
27.	Total Sales	4,218	4,145	3,895	3,744	3,679	3.48%	1.76%
28.	Estimated Overall Rate of Return	6.79%	9.69%	10.81%	9.64%	10.75%	-10.85%	-29.93%
29.	Estimated Return on Common Equity	8.10%	14.19%	15.33%	13.40%	15.25%	-14.63%	-42.92%
30.	Common Equity Ratio	47.85%	47.60%	49.21%	46.48%	46.26%	0.85%	0.53%
31.	Debt Ratio	45.80%	48.88%	44.40%	47.40%	46.46%	-0.36%	-6.30%
32.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.63	6.02	5.42	4.93	5.17	-8.46%	-39.70%

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 5 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)	September 2005 (b)	September 2004 (c)	September 2003 (d)	September 2002 (e)	September 2001 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue	$3,559,089	$3,464,803	$3,432,088	$3,239,704	$3,276,157	2.09%	2.72%
2.	Operating Expenses:							
3.	Fuel	669,799	629,132	577,952	509,565	512,091	6.94%	6.46%
4.	Purchased Power	61,723	237,884	279,373	296,842	288,814	-32.01%	-74.05%
5.	Maintenance	339,403	323,123	373,739	303,428	304,493	2.75%	5.04%
6.	Other Operating Expenses	635,969	638,712	611,271	688,026	693,078	-2.13%	-0.43%
7.	Total Operating Expenses	1,706,894	1,828,851	1,842,335	1,797,861	1,798,476	-1.30%	-6.67%
8.	Depreciation & Amortization	762,947	612,105	526,167	418,257	397,731	17.69%	24.64%
9.	Total Expenses & Depreciation	2,469,841	2,440,956	2,368,502	2,216,118	2,196,207	2.98%	1.18%
10.	Total Operating Taxes	479,696	442,073	462,289	457,887	492,318	-0.65%	8.51%
11.	Total Expenses, Depr. & Taxes	2,949,537	2,883,029	2,830,791	2,674,005	2,688,525	2.34%	2.31%
12.	Operating Income	$609,552	$581,774	$601,297	$565,699	$587,632	0.92%	4.77%
13.	Net Plant Investment	$8,072,922	$7,682,419	$7,204,688	$6,671,865	$6,451,042	5.77%	5.08%
14.	Oper. Exp. as a % of Total Revenue	47.96%	52.78%	53.68%	55.49%	54.90%	-3.32%	-9.13%
15.	Net Plt. Investment per $ of Revenue	$2.27	$2.22	$2.10	$2.06	$1.97	3.61%	2.25%
16.	Number of Customers Served (000s included):							
17.	Residential	1,420,637	1,391,952	1,366,197	1,376,954	1,341,601	1.44%	2.06%
18.	Commercial	232,126	227,213	222,414	220,360	211,803	2.32%	2.16%
19.	Industrial	5,626	5,694	5,803	6,000	6,065	-1.86%	-1.19%
20.	Other	9,835	9,658	8,788	8,476	7,770	6.07%	1.83%
21.	Total Number of Customers	1,668,224	1,634,517	1,603,202	1,611,790	1,567,239	1.57%	2.06%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	18,820	18,571	17,998	17,460	17,467	1.88%	1.34%
24.	Commercial	19,593	19,402	18,863	18,496	18,276	1.75%	0.98%
25.	Industrial	15,107	14,868	14,998	15,709	16,315	-1.90%	1.61%
26.	Other	645	1,549	4,438	221	228	29.69%	-58.36%
27.	Total Sales	54,165	54,390	56,297	51,886	52,286	0.89%	-0.41%
28.	Estimated Overall Rate of Return	9.17%	9.31%	10.04%	9.70%	10.45%	-3.21%	-1.50%
29.	Estimated Return on Common Equity	12.75%	12.87%	13.53%	12.43%	12.85%	-0.20%	-0.93%
30.	Common Equity Ratio	53.34%	54.42%	55.50%	59.48%	59.63%	-2.75%	-1.98%
31.	Debt Ratio	45.16%	44.08%	43.00%	38.58%	37.93%	4.46%	2.45%
32.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.80	5.94	5.93	6.48	5.99	-0.80%	-2.36%

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 68% 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 September 30th: **2005** - 0.79%; **2004** - 0.43%; **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)	September 2005 (b)	September 2004 (c)	September 2003 (d)	September 2002 (e)	September 2001 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue	$86,151	$82,563	$79,481	$75,099	$73,932	3.90%	4.35%
2.	Operating Expenses:							
3.	Purchased Power	40,121	36,763	34,966	31,745	31,441	6.28%	9.13%
4.	Maintenance	7,276	6,429	6,978	6,796	5,422	7.63%	13.17%
5.	Other Operating Expenses	7,368	6,814	7,967	10,445	8,632	-3.88%	8.13%
6.	Total Operating Expenses	54,765	50,006	49,911	48,986	45,495	4.75%	9.52%
7.	Depreciation & Amortization	10,081	8,978	8,404	7,774	6,921	9.86%	12.29%
8.	Total Expenses & Depreciation	64,846	58,984	58,315	56,760	52,416	5.46%	9.94%
9.	Total Operating Taxes	7,818	9,188	8,599	7,275	8,860	-3.08%	-14.91%
10.	Total Expenses, Depr. & Taxes	72,664	68,172	66,914	64,035	61,276	4.35%	6.59%
11.	Operating Income	$13,487	$14,391	$12,567	$11,064	$12,656	1.60%	-6.28%
12.	Net Plant Investment	$205,393	$196,251	$193,276	$180,258	$167,001	5.31%	4.66%
13.	Oper. Exp. as a % of Total Revenue	63.57%	60.57%	62.80%	65.23%	61.54%	0.81%	4.95%
14.	Net Plt. Investment per $ of Revenue	$2.38	$2.38	$2.43	$2.40	$2.26	1.30%	0.00%
15.	Number of Customers Served (000s included):							
16.	Residential	61,764	60,328	59,088	57,753	56,338	2.33%	2.38%
17.	Commercial	7,040	7,013	7,018	6,962	6,922	0.42%	0.38%
18.	Industrial	14	13	13	14	14	0.00%	7.69%
19.	Other	11	11	11	11	11	0.00%	0.00%
20.	Total Number of Customers	68,829	67,365	66,130	64,740	63,285	2.12%	2.17%
21.	Annual Sales Volume: (Millions kWh)							
22.	Residential	629	618	590	562	564	2.76%	1.78%
23.	Commercial	440	427	426	403	384	3.46%	3.04%
24.	Industrial	132	124	118	117	122	1.99%	6.45%
25.	Other	2	2	2	2	2	0.00%	0.00%
26.	Total Sales	1,203	1,171	1,136	1,084	1,072	2.92%	2.73%
27.	Estimated Overall Rate of Return	7.58%	8.14%	7.18%	6.65%	8.15%	-1.80%	-6.88%
28.	Estimated Return on Common Equity	7.82%	8.83%	7.03%	6.25%	8.70%	-2.11%	-11.44%
29.	Common Equity Ratio	53.34%	54.42%	55.50%	63.15%	60.27%	-3.01%	-1.98%
30.	Debt Ratio	45.16%	44.08%	43.00%	36.85%	39.73%	3.25%	2.45%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.94	3.49	3.15	3.29	3.97	-7.23%	-15.76%

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)	September 2005 (b)	September 2004 (c)	September 2003 (d)	September 2002 (e)	September 2001 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Residential	$97,956	$87,359	$69,892	$50,603	$81,451	4.72%	12.13%
3.	Commercial	77,427	68,076	49,794	34,911	56,977	7.97%	13.74%
4.	Industrial	61,163	54,393	100,548	70,563	77,534	-5.76%	12.45%
5.	Public Authorities	0	0	2,187	1,674	2,844	N/A	N/A
6.	Resale	30,452	27,057	41,090	18,028	36,269	-4.28%	12.55%
7.	Other	47,297	45,632	110,647	95,598	112,765	-19.52%	3.65%
8.	Total Operating Revenue	314,295	282,517	374,158	271,377	367,840	-3.86%	11.25%
9.	Cost of Gas	195,348	174,132	290,520	190,668	298,239	-10.04%	12.18%
10.	Margin	118,947	108,385	83,638	80,709	69,601	14.34%	9.74%
11.	O & M Expenses	54,372	52,310	175,828	44,419	46,133	4.19%	3.94%
12.	Other Deductions	35,987	32,670	24,283	24,569	26,639	7.81%	10.15%
13.	Operating Income	$28,588	$23,405	($116,473)	$11,721	($3,171)	N/A	22.14%
14.	Net Plant Investment	$469,352	$450,455	$372,174	$366,746	$289,667	12.82%	4.20%
15.	Operating Exp. as a % of Margin	45.71%	48.26%	210.23%	55.04%	66.28%	-8.87%	-5.28%
16.	Net Plt. Investment per $ of Margin	$3.95	$4.16	$4.45	$4.54	$4.16	-1.29%	-5.05%
17.	Gas Delivered in DTs (000s omitted):							
18.	Residential	6,967	7,261	7,180	5,480	7,010	-0.15%	-4.05%
19.	Commercial	6,481	6,697	5,967	4,925	5,897	2.39%	-3.23%
20.	Industrial	6,565	7,441	16,425	17,744	10,289	-10.63%	-11.77%
21.	Public Authorities	0	0	267	229	284	N/A	N/A
22.	Resale	2,037	4,162	6,400	3,384	4,057	-15.82%	-51.06%
23.	Other	46,301	38,385	23,079	34,123	25,551	16.02%	20.62%
24.	Total DTs	68,351	63,946	59,318	65,885	53,088	6.52%	6.89%
25.	Number of Customers (000s included):							
26.	Residential	108,196	104,644	104,168	104,219	96,724	2.84%	3.39%
27.	Commercial	14,828	14,372	14,309	14,302	13,653	2.09%	3.17%
28.	Industrial	470	469	324	347	341	8.35%	0.21%
29.	Public Authorities	0	0	4,031	4,179	4,267	N/A	N/A
30.	Resale	7	3	57,474	55,607	53,613	-89.31%	133.33%
31.	Other	50	234	114	17	136	-22.13%	-78.63%
32.	Total Number of Customers	123,551	119,722	180,420	178,671	168,734	-7.50%	3.20%
33.	Estimated Overall Rate of Return	*7.31%*	*6.51%*	N/A	4.14%	3.90%	N/A	12.29%
34.	Estimated Return on Common Equity	*7.96%*	*6.26%*	N/A	1.65%	0.24%	N/A	27.16%
35.	Common Equity Ratio	*54.59%*	*54.61%*	N/A	49.11%	44.83%	N/A	-0.04%
36.	Debt Ratio	*45.41%*	*45.39%*	N/A	49.99%	54.32%	N/A	0.04%
37.	Estimated Pre-tax Interest Coverage Ratio (Times)	*3.41*	*2.82*	N/A	1.41	0.98	N/A	20.92%

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 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)	September 2005 (b)	September 2004 (c)	September 2003 (d)	September 2002 (e)	September 2001 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Residential	$356,174	$343,256	$316,005	$218,540	$322,856	2.49%	3.76%
3.	Commercial	183,455	173,602	160,139	102,322	166,677	2.43%	5.68%
4.	Industrial	47,299	47,147	44,816	31,448	64,765	-7.56%	0.32%
5.	Public Authorities	359	408	494	433	2,495	-38.41%	-12.01%
6.	Resale	2	9	9	8	0	N/A	-77.78%
7.	Other	27,100	26,249	27,242	24,759	20,875	6.74%	3.24%
8.	Total Operating Revenue	614,389	590,671	548,705	377,510	577,668	1.55%	4.02%
9.	Cost of Gas	405,026	382,537	345,001	191,212	393,633	0.72%	5.88%
10.	Margin	209,363	208,134	203,704	186,298	184,035	3.28%	0.59%
11.	O & M Expenses	89,814	82,458	90,352	75,233	80,983	2.62%	8.92%
12.	Other Deductions	65,978	67,296	61,081	58,311	51,824	6.22%	-1.96%
13.	Operating Income	$53,571	$58,380	$52,271	$52,754	$51,228	1.12%	-8.24%
14.	Net Plant Investment	$779,105	$748,676	$637,607	$613,261	$591,108	7.15%	4.06%
15.	Operating Exp. as a % of Margin	42.90%	39.62%	44.35%	40.38%	44.00%	-0.63%	8.28%
16.	Net Plt. Investment per $ of Margin	$3.72	$3.60	$3.13	$3.29	$3.21	3.76%	3.33%
17.	Gas Delivered in DTs (000s omitted):							
18.	Residential	28,414	30,005	32,067	24,413	28,897	-0.42%	-5.30%
19.	Commercial	17,127	17,700	18,995	14,518	17,634	-0.73%	-3.24%
20.	Industrial	5,059	5,736	6,033	6,212	8,204	-11.38%	-11.80%
21.	Public Authorities	33	42	59	58	238	-38.98%	-21.43%
22.	Resale	0	0	0	0	0	N/A	N/A
23.	Other	31,185	29,298	27,749	27,931	21,234	10.09%	6.44%
24.	Total DTs	81,818	82,781	84,903	73,132	76,207	1.79%	-1.16%
25.	Number of Customers (000s included):							
26.	Residential	424,275	412,690	401,937	380,444	364,467	3.87%	2.81%
27.	Commercial	45,047	45,081	44,135	42,176	41,251	2.23%	-0.08%
28.	Industrial	1,408	1,440	1,456	1,476	1,661	-4.05%	-2.22%
29.	Public Authorities	571	821	858	1,113	1,582	-22.49%	-30.45%
30.	Resale	0	1	1	0	0	N/A	N/A
31.	Other	354	351	350	349	351	0.21%	0.85%
32.	Total Number of Customers	471,655	460,384	448,737	425,558	409,312	3.61%	2.45%
33.	Estimated Overall Rate of Return	8.57%	9.31%	8.51%	8.77%	8.67%	-0.29%	-7.95%
34.	Estimated Return on Common Equity	10.26%	11.30%	9.41%	9.88%	9.73%	1.33%	-9.20%
35.	Common Equity Ratio	54.59%	54.47%	54.33%	53.15%	50.89%	1.77%	0.22%
36.	Debt Ratio	45.41%	45.53%	45.67%	46.85%	49.11%	-1.94%	-0.26%
37.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.11	4.21	3.46	3.44	3.18	6.62%	-2.38%

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 36% 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 September 2005 (b)	September 2004 (c)	September 2003 (d)	September 2002 (e)	September 2001 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	$331,814	$302,078	$280,349	$196,177	$301,723	2.41%	9.84%
3.	Commercial	162,385	142,798	133,617	85,715	146,742	2.56%	13.72%
4.	Industrial	16,392	9,556	10,193	7,223	12,919	6.13%	71.54%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	6	14	9	7	10	-11.99%	-57.14%
7.	Other	47,754	58,419	53,542	42,571	46,150	0.86%	-18.26%
8.	Total Operating Revenue	558,351	512,865	477,710	331,693	507,544	2.41%	8.87%
9.	Cost of Gas	376,157	335,930	303,889	165,007	337,186	2.77%	11.97%
10.	Margin	182,194	176,935	173,821	166,686	170,358	1.69%	2.97%
11.	O & M Expenses	79,494	76,054	76,338	67,886	66,497	4.56%	4.52%
12.	Other Deductions	58,837	56,001	55,514	57,412	67,696	-3.45%	5.06%
13.	Operating Income	$43,863	$44,880	$41,969	$41,388	$36,165	4.94%	-2.27%
14.	Net Plant Investment	$599,024	$584,078	$561,065	$537,484	$492,624	5.01%	2.56%
15.	Operating Exp. as a % of Margin	43.63%	42.98%	43.92%	40.73%	39.03%	2.82%	1.51%
16.	Net Plt. Investment per $ of Margin	$3.29	$3.30	$3.23	$3.22	$2.89	3.29%	-0.30%
17.	Gas Delivered in DTs (000s omitted):							
18.	Residential	24,161	24,818	26,242	20,301	24,718	-0.57%	-2.65%
19.	Commercial	14,393	14,449	15,091	12,113	14,610	-0.37%	-0.39%
20.	Industrial	1,703	1,176	1,419	1,408	1,425	4.56%	44.81%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22	Resale	1	1	1	1	1	0.00%	0.00%
23.	Other	30,078	29,901	28,458	31,497	28,441	1.41%	0.59%
24.	Total DTs	70,336	70,345	71,211	65,320	69,195	0.41%	-0.01%
25.	Number of Customers (000s included):							
26.	Residential	369,046	353,965	341,604	327,706	318,862	3.72%	4.26%
27.	Commercial	37,411	36,550	35,665	34,717	42,478	-3.13%	2.36%
28.	Industrial	58	49	50	38	1,560	-56.09%	18.37%
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	75	393	402	410	490	-37.45%	-80.92%
32.	Total Number of Customers	406,593	390,960	377,724	362,875	363,394	2.85%	4.00%
33.	Estimated Overall Rate of Return	8.09%	8.27%	8.03%	8.87%	10.64%	-6.62%	-2.18%
34.	Estimated Return on Common Equity	9.48%	10.14%	9.87%	11.02%	14.22%	-9.64%	-6.51%
35.	Common Equity Ratio	51.25%	49.64%	47.75%	48.29%	47.77%	1.77%	3.24%
36.	Debt Ratio	48.75%	50.36%	52.25%	51.71%	52.23%	-1.71%	-3.20%
37.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.45	3.54	3.30	3.44	3.90	-3.02%	-2.54%

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 December 2004 (b)	12 Months Ended December 2003 (c)	Annual Growth Rate Current Year (d)
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	(1,242)	(1,364)	-8.94%
7.	Total Operating Revenue	152,178	151,712	0.31%
8.	Operating Expenses	60,856	61,130	-0.45%
9.	Depreciation & Amortization	31,743	30,209	5.08%
10.	Total Operating Taxes	17,514	16,905	3.60%
11.	Total Expenses, Depr. & Taxes	110,113	108,244	1.73%
12.	Operating Income	$42,065	$43,468	-3.23%
13.	Net Telecommunications Plant	$255,558	$260,066	-1.73%
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 December 2004 (b)	12 Months Ended December 2003 (c)	Annual Growth Rate Current Year (d)
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	(26,672)	(30,816)	-13.45%
7.	Total Operating Revenue	1,576,025	1,641,090	-3.96%
8.	Operating Expenses	763,606	777,313	-1.76%
9.	Depreciation & Amortization	436,997	457,424	-4.47%
10.	Total Operating Taxes	140,534	154,937	-9.30%
11.	Total Expenses, Depr. & Taxes	1,341,137	1,389,674	-3.49%
12.	Operating Income	$234,888	$251,416	-6.57%
13.	Net Telecommunications Plant	$2,312,145	$2,452,004	-5.70%
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	12 Months Ended December 2004	December 2003	Annual Growth Rate Current Year
	(a)	(b)	(c)	(d)
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	6,146	6,959	-11.68%
5.	Miscellaneous	163,799	176,686	-7.29%
6.	Uncollectibles	(12,598)	(6,647)	89.53%
7.	Total Operating Revenue	854,199	866,021	-1.37%
8.	Operating Expenses	459,569	489,586	-6.13%
9.	Depreciation & Amortization	110,084	154,692	-28.84%
10.	Total Operating Taxes	113,408	78,335	44.77%
11.	Total Expenses, Depr. & Taxes	683,061	722,613	-5.47%
12.	Operating Income	$171,138	$143,408	19.34%
13.	Net Telecommunications Plant	$846,614	$798,533	6.02%
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 December 2004 (b)	12 Months Ended December 2003 (c)	Annual Growth Rate 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	(2,218)	(1,790)	23.91%
7.	Total Operating Revenue	181,926	185,148	-1.74%
8.	Operating Expenses	99,372	101,946	-2.52%
9.	Depreciation & Amortization	44,237	39,776	11.22%
10.	Total Operating Taxes	12,587	19,889	-36.71%
11.	Total Expenses, Depr. & Taxes	156,196	161,611	-3.35%
12.	Operating Income	$25,730	$23,537	9.32%
13.	Net Telecommunications Plant	$264,452	$281,727	-6.13%
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	12 Months Ended September 2005	September 2004	September 2003	September 2002	September 2001	Annual Growth Rate Four Year	Current Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Basic Local Service	$5,471	$5,903	$5,737	$5,701	$5,588	-0.53%	-7.32%
3.	Network Access	3,924	3,763	4,137	4,368	3,130	5.81%	4.28%
4.	Long Distance Message	1,155	1,092	1,173	1,260	1,330	-3.47%	5.77%
5.	Miscellaneous	1,136	1,113	1,115	1,069	1,059	1.77%	2.07%
6.	Uncollectibles	(13)	(18)	(21)	(20)	(11)	4.26%	-27.78%
7.	Total Operating Revenue	11,673	11,853	12,141	12,378	11,096	1.28%	-1.52%
8.	Operating Expenses	5,597	5,259	5,003	4,361	4,423	6.06%	6.43%
9.	Depreciation & Amortization	2,616	2,534	2,411	2,386	2,121	5.38%	3.24%
10.	Total Operating Taxes	1,121	1,557	1,431	1,899	1,618	-8.77%	-28.00%
11.	Total Expenses, Depr. & Taxes	9,334	9,350	8,845	8,646	8,162	3.41%	-0.17%
12.	Operating Income	$2,339	$2,503	$3,296	$3,732	$2,934	-5.51%	-6.55%
13.	Net Plant Investment	$27,693	$26,793	$25,283	$24,347	$23,161	4.57%	3.36%
14.	Oper. Exp. as a % of Total Revenue	47.95%	44.37%	41.21%	35.23%	39.86%	4.73%	8.07%
15.	Net Plt. Investment per $ of Revenue	$2.37	$2.26	$2.08	$1.97	$2.09	3.19%	4.87%
16.	Total Access Lines (000s included):							
17.	Residential	16,784	16,952	16,997	17,200	17,083	-0.44%	-0.99%
18.	Business	4,467	4,368	4,347	4,333	4,307	0.92%	2.27%
19.	Total Access Lines	21,251	21,320	21,344	21,533	21,390	-0.16%	-0.32%
20.	Estimated Overall Rate of Return	9.28%	10.02%	13.46%	15.69%	13.10%	-8.26%	-7.39%
21.	Estimated Return on Common Equity	9.54%	10.58%	15.50%	19.05%	15.58%	-11.54%	-9.83%
22.	Common Equity Ratio	75.36%	73.40%	71.32%	68.43%	65.87%	3.42%	2.67%
23.	Debt Ratio	24.64%	26.60%	28.68%	31.57%	34.13%	-7.82%	-7.37%
24.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.81	7.21	7.83	8.59	6.58	0.86%	-5.55%

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 70% 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	12 Months Ended December 2004	12 Months Ended December 2003	Annual Growth Rate Current Year
	(a)	(b)	(c)	(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	92,992	95,871	-3.00%
8.	Operating Expenses	46,291	43,956	5.31%
9.	Depreciation & Amortization	22,077	22,928	-3.71%
10.	Total Operating Taxes	10,193	10,096	0.96%
11.	Total Expenses, Depr. & Taxes	78,561	76,980	2.05%
12.	Operating Income	$14,431	$18,891	-23.61%
13.	Net Telecommunications Plant	$83,704	$83,897	-0.23%
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 September 2005 (b)	September 2004 (c)	September 2003 (d)	September 2002 (e)	September 2001 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	$12,535	$12,635	$13,224	$13,680	$13,324	-1.51%	-0.79%
3.	Network Access	5,546	5,313	5,086	4,476	3,876	9.37%	4.39%
4.	Long Distance Message	172	175	281	298	333	-15.22%	-1.71%
5.	Miscellaneous	2,292	2,340	2,236	2,690	3,325	-8.88%	-2.05%
6.	Uncollectibles	(206)	(279)	(87)	(337)	(254)	-5.10%	-26.16%
7.	Total Operating Revenue	20,339	20,184	20,740	20,807	20,604	-0.32%	0.77%
8.	Operating Expenses	6,888	6,904	7,807	7,704	7,575	-2.35%	-0.23%
9.	Depreciation & Amortization	3,880	3,428	3,356	3,496	3,521	2.46%	13.19%
10.	Total Operating Taxes	5,608	5,696	5,759	5,186	5,313	1.36%	-1.54%
11.	Total Expenses, Depr. & Taxes	16,376	16,028	16,922	16,386	16,409	-0.05%	2.17%
12.	Operating Income	$3,963	$4,156	$3,818	$4,421	$4,195	-1.41%	-4.64%
13.	Net Plant Investment	$35,500	$36,440	$36,954	$38,071	$39,113	-2.39%	-2.58%
14.	Oper. Exp. as a % of Total Revenue	33.87%	34.21%	37.64%	37.03%	36.76%	-2.03%	-0.99%
15.	Net Plt. Investment per $ of Revenue	$1.75	$1.81	$1.78	$1.83	$1.90	-2.03%	-3.31%
16.	Total Access Lines (000s included):							
17.	Residential	21,722	22,697	23,427	24,181	24,288	-2.75%	-4.30%
18.	Business	8,486	8,820	8,852	9,084	9,201	-2.00%	-3.79%
19.	Total Access Lines	30,208	31,517	32,279	33,265	33,489	-2.54%	-4.15%
20.	Estimated Overall Rate of Return	12.82%	12.83%	12.07%	13.91%	13.16%	-0.65%	-0.08%
21.	Estimated Return on Common Equity	12.93%	12.91%	12.21%	14.13%	13.43%	-0.94%	0.15%
22.	Common Equity Ratio	97.79%	97.41%	96.86%	96.37%	95.07%	0.71%	0.39%
23.	Debt Ratio	2.21%	2.59%	3.14%	3.63%	4.93%	-18.17%	-14.67%
24.	Estimated Pre-tax Interest Coverage Ratio (Times)	167.27	105.39	113.70	112.08	69.77	24.43%	58.72%

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 (a)	12 Months Ended December 2004 (b)	12 Months Ended December 2003 (c)	Annual Growth Rate Current Year (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	10,345	10,140	2.02%
8.	Operating Expenses	5,251	4,987	5.29%
9.	Depreciation & Amortization	1,142	1,554	-26.51%
10.	Total Operating Taxes	1,560	1,845	-15.45%
11.	Total Expenses, Depr. & Taxes	7,953	8,386	-5.16%
12.	Operating Income	$2,392	$1,754	36.37%
13.	Net Telecommunications Plant	$10,646	$10,931	-2.61%
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 December 2004 (b)	12 Months Ended December 2003 (c)	Annual Growth Rate Current Year (d)
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	106,021	102,817	3.12%
8.	Operating Expenses	58,444	56,776	2.94%
9.	Depreciation & Amortization	20,376	19,641	3.74%
10.	Total Operating Taxes	11,260	10,942	2.91%
11.	Total Expenses, Depr. & Taxes	90,080	87,359	3.11%
12.	Operating Income	$15,941	$15,458	3.12%
13.	Net Telecommunications Plant	$116,270	$118,507	-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	12 Month Ended December 2004	12 Month Ended December 2003	Annual Growth Rate Current Year
	(a)	(b)	(c)	(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	(2,391)	(5,181)	-53.85%
7.	Total Operating Revenue	280,705	290,896	-3.50%
8.	Operating Expenses	169,316	202,202	-16.26%
9.	Depreciation & Amortization	74,505	73,813	0.94%
10.	Total Operating Taxes	(2,632)	(414)	535.75%
11.	Total Expenses, Depr. & Taxes	241,189	275,601	-12.49%
12.	Operating Income	$39,516	$15,295	158.36%
13.	Net Telecommunications Plant	$396,523	$428,739	-7.51%
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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