



State of North Carolina
Utilities Commission

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February 29, 2000

TO: Jo Anne Sanford, Chair
Commissioner Ralph A. Hunt
Commissioner Judy Hunt
Commissioner William R. Pittman
Commissioner J. Richard Conder
Commissioner Robert V. Owens, Jr.
Commissioner Sam J. Ervin, IV

FROM: Donald R. Hoover
Operations Director

A handwritten signature in cursive script, appearing to read "D. Hoover", written over the printed name and title.

Attached for your information is a copy of the *Quarterly Review* for the calendar quarter ending September 30, 1999. Such report, which has been prepared by the Operations Division, presents an overview of selected financial and operational information and data for 18 major investor-owned public utilities regulated by the Commission.

Should you have questions concerning the report, Linda Haywood, Barbara Sharpe, or I will be pleased to be of assistance.

Thank you for your consideration.

DRH/mh

Attachment

Quarterly Review

Selected Financial and Operational Data:

Re:

Electric Companies

- ***Carolina Power & Light Company***
- ***Piedmont Electric Company, a Division of Duke Energy Corporation***
- ***Public Service Company of North Carolina***
- ***Western Piedmont Electric Company***
- ***Western Piedmont Power***

Original

Gas Distribution Companies

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

Telecommunications Companies

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

■ ***Quarter Ending September 30, 1999*** ■

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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 18 major investor-owned public utilities regulated by the North Carolina Utilities Commission (Commission): four electric companies, four natural gas local distribution companies, and ten telecommunications companies. The primary focus of this report is one of a jurisdictional financial nature. However, albeit limited, certain jurisdictional operational information is also included.

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

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

A Specific Objective

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

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

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

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

The Key Financial Ratios

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

The Return on Common Equity

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

The Common Equity Capitalization Ratio

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

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

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

The Pre-tax Interest Coverage Ratio

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

The Overall Rate of Return

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

The Propriety of The Methodology

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

A Final Note

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

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

Part II

A Review of Key Financial Ratios

- ▣ ***Summary Statement of Key Financial Ratios For 18 Selected Companies For The Twelve Months Ended September 30, 1999 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage 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. 182-197, from March 1998 Through February 2000***

**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 Pre-tax Interest Coverage Ratios are for
Twelve Months Ended September 30, 1999, 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 9/30/99				Authorized - Last Rate Case			
		Return On Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Pre-tax Interest Coverage 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	10.82%	9.02%	58.99%	5.19	12.75%	10.45%	44.00%	08/05/88
2.	Duke Power, a Division of Duke Energy Corporation	12.30%	9.92%	55.76%	5.31	12.50%	10.44%	49.82%	11/12/91
3.	Nantahala Power and Light Company	9.25%	8.41%	54.28%	3.47	12.10%	10.32%	56.11%	06/18/93
4.	North Carolina Power	11.88%	9.34%	47.00%	3.19	11.80%	9.48%	44.82%	02/26/93
Natural Gas Local Distribution Companies									
5.	North Carolina Gas Service, Division of NUI	N/A	N/A	N/A	N/A	11.40%	9.16%	47.57%	09/20/95
6.	North Carolina Natural Gas Corporation	N/A	N/A	N/A	N/A	N/A	10.09%	N/A	10/27/95
7.	Piedmont Natural Gas Company, Inc.	12.90%	10.50%	53.86%	4.17	N/A	N/A	N/A	10/23/96
8.	Public Service Company of North Carolina, Inc.	11.12%	9.23%	48.56%	3.20	11.40%	9.82%	51.91%	10/30/98
Telecommunications Companies									
9.	* ALLTEL Carolina, Inc.	20.65%	16.01%	61.66%	7.24	13.20%	10.33%	42.11%	11/25/86
10.	* BellSouth Telecommunications, Inc.	25.24%	17.19%	57.55%	9.30	15.00%	12.51%	54.80%	11/09/84
11.	* Carolina Telephone and Telegraph Company	15.10%	11.89%	82.08%	7.59	15.25%	11.82%	48.40%	03/30/83
12.	* Central Telephone Company	12.39%	12.84%	89.13%	10.79	15.50%	12.09%	48.30%	06/22/83
13.	Citizens Telephone Company	17.31%	13.76%	60.98%	5.90	12.70%	10.11%	44.95%	02/26/91
14.	* Concord Telephone Company	18.21%	15.82%	78.08%	16.77	15.50%	12.11%	58.59%	06/17/83
15.	* GTE South Incorporated	4.50%	6.74%	60.56%	1.81	13.90%	11.82%	50.00%	09/16/86
16.	Lexcom Telephone, Inc.	7.01%	7.11%	91.42%	31.71	16.25%	12.77%	37.22%	06/14/82
17.	MEBTEL Communications	66.10%	20.17%	22.81%	5.65	16.50%	5.92%	16.92%	11/26/79
18.	North State Telephone Company	17.63%	17.19%	95.98%	150.62	N/A	N/A	N/A	06/13/52

NOTES:

* [1] Companies electing price regulation are denoted above with an asterisk. For those companies, with the exception of Concord Telephone Company and ALLTEL Carolina, Inc., the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1998; therefore, the data for such companies included herein is updated annually beginning with the calendar year 1998. Regarding Concord Telephone Company, which has more recently elected price regulation, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1997. Thus, the data for Concord Telephone Company will be updated annually beginning with the calendar year 1997. ALLTEL Carolina, Inc. has most recently elected price regulation, and the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1998. Thus, the data for ALLTEL Carolina, Inc. will be updated annually beginning with the calendar year 1998.

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

[3] N/A denotes that information is not available.

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 Pre-tax Interest Coverage Ratios are for
Twelve Months Ended September 30, 1999, Except for Certain Telecommunications Companies - See Note [1]*

NOTES - continued

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

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

[6] Selected financial market indicators from "Moody's Credit Perspectives", Volume 93, No. 3, January 17, 2000 follow:

Part I

Line No.	Date (a)	U.S. Treasury Securities			Dealer-Placed	Moody's
		3-Month Bill % (b)	10-Year Note % (c)	30-Year Bond % (d)	3-Month CP % (e)	Long-Term Corporate Bond Yield % (f)
1.	January 13, 2000	5.24	6.62	6.64	5.81	8.07
2.	Month of December 1999	5.19	6.27	6.35	5.93	7.87
3.	Month of November 1999	5.06	6.02	6.14	6.00	7.73
4.	Past 12 Months:					
5.	Average	4.64	5.63	5.87	5.23	7.46
6.	Low	4.17	4.80	5.05	4.77	6.76
7.	High	5.42	6.57	6.80	6.04	7.93

Part II

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

Line No.	Rating (a)	01/13/00 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	Dec. 1999 (e)	Nov. 1999 (f)
1.	Aaa	7.95	7.73	6.41	7.74	7.56
2.	Aa	8.18	7.96	6.78	8.00	7.82
3.	A	8.35	8.06	6.91	8.14	7.94

**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 Pre-tax Interest Coverage Ratios are for
Twelve Months Ended September 30, 1999, Except for Certain Telecommunications Companies - See Note [1]*

NOTES - continued

NOTES: [5] Selected financial market indicators from "Moody's Credit Perspectives", Volume 93, No. 3, January 17, 2000 follow - continued:

Part III

New offerings by public utilities - listing is all inclusive for week of January 17, 2000:

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield		Rating (f)
				Current (d)	Maturity (e)	
1.	Consolidated Edison Co. of NY	\$200 Million	10 Years	7.15%	7.428%	A1
2.	GTE Corporation	\$400 Million	2 Years	Floating *	-	Baa1

* [6] No other information was reported with respect to the cost rate for this issue.

**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. 182-197, from March 1998 through February 2000**

(Statement is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns		Date Of Order (d)	Volume No. Public Utilities Reports (e)
		Common Equity (b)	Overall (c)		
Electric Companies					
1.	Green Mountain Power Corporation (VT)	11.25%	N/A	02/27/98	Volume 184
2.	Madison Gas and Electric Company (WI)	12.20%	9.20%	01/14/99	Volume 190
3.	Wisconsin Public Service Corporation (WI)	12.10%	10.79%	01/15/99	Volume 191
4.	Connecticut Light and Power Company (CT)	10.30%	8.12%	02/05/99	Volume 191
Natural Gas Local Distribution Companies					
5.	Roanoke Gas Company (VA)	N/A	.9.86%	08/06/98	Volume 187
6.	Missouri Gas Energy (MO)	10.93%	N/A	09/02/98	Volume 188
7.	Northern States Power Company (WI)	11.90%	N/A	09/17/98	Volume 188
8.	Public Service Company of N. C., Inc. (NC)	11.40%	9.82%	10/30/98	Volume 189
9.	Madison Gas and Electric Company (WI)	12.20%	10.45%	01/14/99	Volume 190
10.	Wisconsin Public Service Corporation (WI)	12.10%	10.82%	01/15/99	Volume 191
11.	Northwest Natural Gas Company (OR)	10.25%	N/A	11/12/99	Volume 197
12.	Delta Natural Gas Company, Inc. (KY)	11.60%	N/A	12/27/99	Volume 197
Telecommunications Companies					
13.	Vermont Telephone Company, Inc. (VT)	11.90%	10.18%	11/10/97	Volume 182
14.	U S West Communications, Inc. (UT)	11.50%	9.76%	12/04/97	Volume 183

**Statement of Authorized Returns
On Common Equity and Overall Rates of Return
Granted By Various Public Utility Regulatory Agencies As Reported In
Public Utilities Reports, Volume Nos. 182-197, from March 1998 through February 2000**

(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns		Date Of Order (d)	Volume No. Public Utilities Reports (e)
		Common Equity (b)	Overall (c)		
Water Companies					
15.	United Water Pennsylvania, Inc. (PA)	11.00%	N/A	01/30/98	Volume 184
16.	United Water Idaho, Inc. (ID)	10.75%	9.12%	07/08/98	Volume 187
17.	Heritage Hills Water-Works Corporation (NY)	10.20%	N/A	08/12/98	Volume 188
18.	New Jersey-American Water Company (NJ)	10.80%	N/A	04/08/99	Volume 193
19.	Pennsgrove Water Supply Company (NJ)	10.80%	9.79%	06/30/99	Volume 194
20.	Unionville Water Co. (CT)	12.35%	N/A	08/25/99	Volume 196

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

Part III

Overviews of Selected Financial and Operational Data By Utility:

- ▣ ***Electric Companies***
 - ***Carolina Power & Light Company***
 - ***Duke Power, a Division of Duke Energy Corporation***
 - ***Nantahala Power and Light Company***
 - ***North Carolina Power***

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

- ▣ ***Telecommunications Companies***
 - ***ALLTEL Carolina, Inc.***
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 - ***GTE South Incorporated***
 - ***Lexcom Telephone, Inc.***
 - ***MEBTEL Communications***
 - ***North State Telephone Company***

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 1988 (b)	September 1988 (c)	September 1987 (d)	September 1986 (e)	September 1985 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,240,690	\$2,289,595	\$2,131,983	\$2,105,277	\$2,020,913	2.61%	-2.14%
2.	Operating Expenses:							
3.	Fuel	417,231	420,393	350,518	329,441	350,642	4.44%	-0.75%
4.	Purchased Power	280,777	284,725	260,645	275,774	263,287	1.62%	-1.39%
5.	Maintenance	154,940	141,546	168,833	166,358	141,673	2.26%	9.46%
6.	Other Operating Expenses	<u>338,186</u>	<u>332,654</u>	<u>375,804</u>	<u>370,397</u>	<u>382,825</u>	-3.05%	1.66%
7.	Total Operating Expenses	1,191,134	1,179,318	1,155,800	1,141,970	1,138,427	1.14%	1.00%
8.	Depreciation & Amortization	<u>357,841</u>	<u>363,395</u>	<u>354,352</u>	<u>280,462</u>	<u>267,189</u>	7.58%	-1.53%
9.	Total Expenses & Depreciation	1,548,975	1,542,713	1,510,152	1,422,432	1,405,616	2.46%	0.41%
10.	Total Operating Taxes	<u>336,477</u>	<u>351,795</u>	<u>286,584</u>	<u>320,821</u>	<u>264,933</u>	6.16%	-4.35%
11.	Total Expenses, Depr. & Taxes	1,885,452	1,894,508	1,796,718	1,743,253	1,670,549	3.07%	-0.48%
12.	Operating Income	<u>\$355,238</u>	<u>\$395,087</u>	<u>\$335,267</u>	<u>\$362,024</u>	<u>\$350,364</u>	0.35%	-10.09%
13.	Net Plant Investment	<u>\$4,354,495</u>	<u>\$4,318,472</u>	<u>\$4,368,728</u>	<u>\$4,200,392</u>	<u>\$4,311,819</u>	0.25%	0.83%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	53.16%	51.51%	54.21%	54.24%	56.33%	-1.44%	3.20%
15.	Net Plt. Investment per \$ of Revenue	\$1.94	\$1.89	\$2.05	\$2.00	\$2.13	-2.31%	2.65%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	882	859	836	811	794	2.66%	2.68%
18.	Commercial	154	149	145	140	135	3.35%	3.38%
19.	Industrial	4	4	4	4	4	0.00%	0.00%
20.	Other	2	2	2	2	2	0.00%	0.00%
21.	Total Number of Customers	<u>1042</u>	<u>1014</u>	<u>987</u>	<u>957</u>	<u>935</u>	2.75%	2.76%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	11,394	11,402	10,393	10,835	9,797	3.85%	-0.07%
24.	Commercial	9,339	9,004	8,343	8,155	7,654	5.10%	3.72%
25.	Industrial	11,247	11,521	11,525	11,087	11,027	0.50%	-2.38%
26.	Other	<u>4,797</u>	<u>6,036</u>	<u>4,645</u>	<u>4,342</u>	<u>2,854</u>	13.86%	-20.53%
27.	Total Sales	<u>36,777</u>	<u>37,963</u>	<u>34,906</u>	<u>34,419</u>	<u>31,332</u>	4.09%	-3.12%
<hr/>								
28.	Estimated Overall Rate of Return	9.02%	10.08%	8.80%	9.89%	10.12%	-2.84%	-10.52%
29.	Estimated Return on Common Equity	10.82%	12.72%	10.82%	12.61%	13.26%	-4.96%	-14.94%
30.	Common Equity Ratio	56.99%	55.68%	54.51%	51.31%	49.28%	3.70%	2.35%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.19	5.44	4.61	4.72	4.02	6.59%	-4.60%
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32.	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 72% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.

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	
		September 1999 (b)	September 1998 (c)	September 1997 (d)	September 1996 (e)	September 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$3,009,267	\$2,865,183	\$2,877,223	\$2,875,104	\$2,730,768	2.46%	1.49%
2.	Operating Expenses:							
3.	Fuel	438,740	454,058	452,153	477,988	439,107	-0.02%	-3.37%
4.	Purchased Power	287,854	288,559	288,648	270,528	290,076	-1.97%	0.49%
5.	Maintenance	274,772	283,983	290,108	298,837	282,773	-0.72%	-3.24%
6.	Other Operating Expenses	<u>664,234</u>	<u>581,804</u>	<u>584,884</u>	<u>555,844</u>	<u>503,941</u>	<u>7.15%</u>	<u>14.15%</u>
7.	Total Operating Expenses	1,645,600	1,588,505	1,815,771	1,602,995	1,515,897	2.07%	3.72%
8.	Depreciation & Amortization	<u>352,725</u>	<u>348,474</u>	<u>327,952</u>	<u>315,653</u>	<u>291,320</u>	<u>4.80%</u>	<u>1.22%</u>
9.	Total Expenses & Depreciation	1,998,325	1,934,979	1,943,723	1,918,648	1,807,217	2.54%	3.27%
10.	Total Operating Taxes	<u>472,201</u>	<u>488,901</u>	<u>431,492</u>	<u>437,855</u>	<u>419,882</u>	<u>2.99%</u>	<u>-3.02%</u>
11.	Total Expenses, Depr. & Taxes	<u>2,470,526</u>	<u>2,421,880</u>	<u>2,375,215</u>	<u>2,356,503</u>	<u>2,228,879</u>	<u>2.83%</u>	<u>2.01%</u>
12.	Operating Income	<u>\$538,741</u>	<u>\$543,313</u>	<u>\$502,008</u>	<u>\$518,801</u>	<u>\$503,889</u>	<u>1.69%</u>	<u>-0.84%</u>
13.	Net Plant Investment	<u>\$6,157,048</u>	<u>\$8,161,401</u>	<u>\$8,089,841</u>	<u>\$5,938,479</u>	<u>\$5,731,016</u>	<u>1.81%</u>	<u>-0.07%</u>
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14.	Oper. Exp. as a % of Total Revenue	54.68%	53.50%	56.16%	55.75%	55.51%	-0.38%	2.21%
15.	Net Plt. Investment per \$ of Revenue	\$2.05	\$2.08	\$2.11	\$2.07	\$2.10	-0.80%	-1.44%
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16.	Number of Customers Served:							
17.	Residential	1,272	1,268	1,214	1,180	1,155	2.44%	0.32%
18.	Commercial	204	201	192	188	180	3.18%	1.49%
19.	Industrial	6	7	7	7	7	-3.78%	-14.29%
20.	Other	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>6</u>	<u>3.93%</u>	<u>0.00%</u>
21.	Total Number of Customers	<u>1,489</u>	<u>1,483</u>	<u>1,420</u>	<u>1,380</u>	<u>1,348</u>	<u>2.52%</u>	<u>0.40%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	18,128	18,358	14,977	15,748	14,468	2.75%	-1.41%
24.	Commercial	18,868	18,088	15,123	14,953	14,045	4.37%	3.82%
25.	Industrial	17,788	18,135	17,705	17,504	17,558	0.33%	-1.91%
26.	Other	<u>225</u>	<u>219</u>	<u>211</u>	<u>201</u>	<u>195</u>	<u>3.84%</u>	<u>2.74%</u>
27.	Total Sales	<u>50,808</u>	<u>50,788</u>	<u>48,018</u>	<u>48,408</u>	<u>46,288</u>	<u>2.37%</u>	<u>0.02%</u>
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28.	Estimated Overall Rate of Return	9.92%	10.09%	9.55%	9.92%	10.08%	-0.40%	-1.68%
29.	Estimated Return on Common Equity	12.30%	12.48%	11.37%	12.12%	12.55%	-0.50%	-1.44%
30.	Common Equity Ratio	55.76%	54.12%	54.10%	53.44%	52.05%	1.74%	3.03%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.31	5.14	4.83	5.01	5.00	1.52%	3.31%
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32.	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 88% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 1999 (b)	September 1998 (c)	September 1997 (d)	September 1996 (e)	September 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$85,190	\$86,413	\$80,063	\$86,231	\$59,926	2.13%	-1.84%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	0	324	9	7,242	5,852	N/A	N/A
4.	Purchased Power - Regular	25,643	26,782	23,538	26,444	23,607	2.09%	-4.25%
5.	Maintenance	5,341	4,341	4,944	5,564	4,573	3.96%	23.04%
6.	Other Operating Expenses	7,619	7,455	8,007	7,323	8,172	-1.74%	2.20%
7.	Total Operating Expenses	38,603	38,902	36,498	46,573	42,204	-2.20%	-0.77%
8.	Depreciation & Amortization	5,995	5,630	4,328	5,476	4,534	7.23%	6.48%
9.	Total Expenses & Depreciation	44,598	44,532	40,826	52,049	46,738	-1.16%	0.15%
10.	Total Operating Taxes	9,252	9,898	8,711	8,415	6,273	10.20%	-4.60%
11.	Total Expenses, Depr. & Taxes	53,850	54,230	49,537	58,464	53,011	0.39%	-0.70%
12.	Operating Income	\$11,340	\$12,183	\$10,528	\$7,787	\$6,915	13.16%	-6.92%
13.	Net Plant Investment	\$145,227	\$133,939	\$125,574	\$111,358	\$102,391	9.13%	8.43%
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14.	Oper. Exp. as a % of Total Revenue	59.22%	58.58%	60.77%	70.32%	70.43%	-4.24%	1.09%
15.	Net Plt. Investment per \$ of Revenue	\$2.23	\$2.02	\$2.09	\$1.68	\$1.71	6.86%	10.40%
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16.	Number of Customers Served:							
17.	Residential	53	52	51	50	48	2.51%	1.92%
18.	Commercial	7	6	6	6	6	3.93%	16.67%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	0	0	0	0	0	N/A	N/A
21.	Total Number of Customers	60	58	57	56	54	2.67%	3.45%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	499	504	457	492	437	3.37%	-0.99%
24.	Commercial	348	343	314	321	292	4.48%	1.46%
25.	Industrial	137	135	124	114	110	5.64%	1.48%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	986	984	897	929	841	4.06%	0.20%
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28.	Estimated Overall Rate of Return	8.41%	9.50%	8.94%	7.04%	8.09%	0.97%	-11.47%
29.	Estimated Return on Common Equity	9.25%	11.53%	10.35%	6.48%	8.14%	2.59%	-19.77%
30.	Common Equity Ratio	54.28%	50.83%	51.16%	63.66%	61.96%	-3.25%	6.79%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.47	3.66	3.44	2.97	3.56	-0.64%	-5.19%
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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 96% 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.

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

Line No.	Item (a)	12 Months Ended					Annual	
		September 1999 (b)	September 1998 (c)	September 1997 (d)	September 1996 (e)	September 1995 (f)	Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue	\$220,328	\$222,135	\$218,080	\$210,080	\$195,628	3.02%	-0.81%
2.	Operating Expenses:							
3.	Fuel	29,808	28,379	26,892	27,985	25,797	3.68%	5.04%
4.	Purchased Power	50,878	52,879	51,595	50,334	48,083	2.40%	-3.80%
5.	Maintenance	14,534	10,721	12,047	12,897	13,025	2.78%	35.57%
6.	Other Operating Expenses	32,817	30,348	31,378	30,128	29,299	2.88%	8.14%
7.	Total Operating Expenses	127,837	122,127	121,912	121,344	114,204	2.88%	4.68%
8.	Depreciation & Amortization	25,107	27,350	25,935	24,781	22,739	2.51%	-8.20%
9.	Total Expenses & Depreciation	152,944	149,477	147,847	146,105	136,943	2.80%	2.32%
10.	Total Operating Taxes	28,734	35,612	28,917	27,101	24,918	3.83%	-19.31%
11.	Total Expenses, Depr. & Taxes	181,678	185,089	174,764	173,206	161,859	2.93%	-1.84%
12.	Operating Income	\$38,650	\$37,048	\$43,298	\$38,854	\$33,789	3.43%	4.33%
13.	Net Plant Investment	\$407,592	\$430,799	\$442,927	\$438,218	\$409,058	-0.09%	-5.39%
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14.	Oper. Exp. as a % of Total Revenue	58.02%	54.98%	55.91%	57.77%	58.38%	-0.15%	5.53%
15.	Net Plt. Investment per \$ of Revenue	\$1.85	\$1.94	\$2.03	\$2.08	\$2.09	-3.00%	-4.64%
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16.	Number of Customers Served:							
17.	Residential	91	89	88	88	85	1.72%	2.25%
18.	Commercial	14	13	13	13	13	1.87%	7.69%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	2	2	2	2	2	0.00%	0.00%
21.	Total Number of Customers	107	104	103	101	100	1.71%	2.88%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,197	1,179	1,086	1,136	1,029	3.85%	1.53%
24.	Commercial	650	653	621	637	611	1.56%	-0.46%
25.	Industrial	1,191	1,266	1,276	1,216	1,172	0.40%	-5.92%
26.	Other	128	116	111	121	112	2.99%	8.62%
27.	Total Sales	3,164	3,214	3,084	3,110	2,924	1.99%	-1.56%
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28.	Estimated Overall Rate of Return	9.34%	8.57%	9.91%	8.80%	8.79%	1.53%	8.98%
29.	Estimated Return on Common Equity	11.88%	10.05%	12.82%	10.44%	10.63%	2.82%	18.21%
30.	Common Equity Ratio	47.00%	47.34%	47.28%	46.03%	45.11%	1.03%	-0.72%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.19	4.08	3.88	3.48	3.40	-1.58%	-21.81%
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32.	LAST RATE CASE	Authorized Returns: Common Equity 11.80%, Overall 9.48%; Equity Ratio: 44.82%; Date of Order: 2-26-93						

Notes: [1] North Carolina retail jurisdictional revenue equates to 5% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 1998 (b)	September 1998 (c)	September 1997 (d)	September 1996 (e)	September 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	N/A	\$6,909	N/A	N/A	\$5,329	N/A	N/A
3.	Commercial	N/A	3,148	N/A	N/A	2,868	N/A	N/A
4.	Industrial	N/A	3,458	N/A	N/A	5,808	N/A	N/A
5.	Public Authorities	N/A	0	N/A	N/A	0	N/A	N/A
6.	Resale	N/A	1,280	N/A	N/A	0	N/A	N/A
7.	Other	N/A	2,293	N/A	N/A	1,114	N/A	N/A
8.	Total Operating Revenue	N/A	17,088	N/A	N/A	15,119	N/A	N/A
9.	Cost of Gas	N/A	9,927	N/A	N/A	8,785	N/A	N/A
10.	Margin	N/A	7,161	N/A	N/A	6,354	N/A	N/A
11.	O & M Expenses	N/A	4,411	N/A	N/A	3,864	N/A	N/A
12.	Other Deductions	N/A	1,747	N/A	N/A	1,555	N/A	N/A
13.	Operating Income	N/A	\$1,003	N/A	N/A	\$935	N/A	N/A
14.	Net Plant Investment	N/A	\$14,810	N/A	N/A	\$11,266	N/A	N/A
15.	Operating Exp. as a % of Margin	N/A	61.60%	N/A	N/A	60.81%	N/A	N/A
16.	Net Plt. Investment per \$ of Margin	N/A	\$2.07	N/A	N/A	\$1.77	N/A	N/A
17.	Gas Delivered in DTs:							
18.	Residential	N/A	905	N/A	N/A	774	N/A	N/A
19.	Commercial	N/A	515	N/A	N/A	521	N/A	N/A
20.	Industrial	N/A	1,470	N/A	N/A	1,712	N/A	N/A
21.	Public Authorities	N/A	0	N/A	N/A	0	N/A	N/A
22.	Resale	N/A	0	N/A	N/A	0	N/A	N/A
23.	Other	N/A	1,807	N/A	N/A	925	N/A	N/A
24.	Total DTs	N/A	4,697	N/A	N/A	3,932	N/A	N/A
25.	Number of Customers:							
26.	Residential	N/A	12	N/A	N/A	11	N/A	N/A
27.	Commercial	N/A	2	N/A	N/A	2	N/A	N/A
28.	Industrial	N/A	0	N/A	N/A	0	N/A	N/A
29.	Public Authorities	N/A	0	N/A	N/A	0	N/A	N/A
30.	Resale	N/A	0	N/A	N/A	0	N/A	N/A
31.	Other	N/A	0	N/A	N/A	0	N/A	N/A
32.	Total Number of Customers	N/A	14	N/A	N/A	13	N/A	N/A
33.	Estimated Overall Rate of Return	N/A	N/A	N/A	N/A	6.91%	N/A	N/A
34.	Estimated Return on Common Equity	N/A	N/A	N/A	N/A	7.20%	N/A	N/A
35.	Common Equity Ratio	N/A	N/A	N/A	N/A	51.18%	N/A	N/A
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	N/A	N/A	N/A	N/A	2.72	N/A	N/A
37.	LAST RATE CASE	<i>Authorized Returns: Common Equity 11.40%, Overall 9.16%; Equity Ratio: 47.57%; Date of Order: 9-20-95</i>						

Notes: [1] The percentage of North Carolina retail jurisdictional revenue to total company gas utility revenue is not available.
[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 has not been provided due to ongoing changes occurring within the Company's internal operational structure.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 1999 (b)	September 1998 (c)	September 1997 (d)	September 1996 (e)	September 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	N/A	\$46,816	\$46,670	\$44,981	\$31,151	N/A	N/A
3.	Commercial	N/A	30,995	31,055	28,809	20,023	N/A	N/A
4.	Industrial	N/A	52,225	57,522	72,608	61,580	N/A	N/A
5.	Public Authorities	N/A	1,858	1,993	2,032	1,595	N/A	N/A
6.	Resale	N/A	16,463	21,847	28,731	18,001	N/A	N/A
7.	Other	N/A	28,091	22,617	19,477	13,323	N/A	N/A
8.	Total Operating Revenue	N/A	174,448	181,704	196,638	145,673	N/A	N/A
9.	Cost of Gas	N/A	99,339	108,497	128,228	87,755	N/A	N/A
10.	Margin	N/A	75,109	73,207	68,410	57,918	N/A	N/A
11.	O & M Expenses	N/A	25,151	25,454	23,088	21,070	N/A	N/A
12.	Other Deductions	N/A	28,282	27,885	28,576	21,812	N/A	N/A
13.	Operating Income	N/A	\$20,696	\$19,888	\$18,746	\$15,236	N/A	N/A
14.	Net Plant Investment	N/A	\$207,471	\$199,387	\$181,835	\$178,574	N/A	N/A
15.	Operating Exp. as a % of Margin	N/A	33.49%	34.77%	33.75%	36.38%	N/A	N/A
16.	Net Plt. Investment per \$ of Margin	N/A	\$2.76	\$2.72	\$2.66	\$3.05	N/A	N/A
17.	Gas Delivered in DTs:							
18.	Residential	N/A	6,065	5,866	6,752	5,209	N/A	N/A
19.	Commercial	N/A	5,248	5,099	5,511	4,517	N/A	N/A
20.	Industrial	N/A	13,494	13,126	19,589	20,475	N/A	N/A
21.	Public Authorities	N/A	309	320	386	358	N/A	N/A
22.	Resale	N/A	3,028	4,094	7,785	4,982	N/A	N/A
23.	Other	N/A	28,833	26,953	13,077	17,509	N/A	N/A
24.	Total DTs	N/A	54,977	55,458	53,080	53,050	N/A	N/A
25.	Number of Customers:							
26.	Residential	N/A	92	89	85	82	N/A	N/A
27.	Commercial	N/A	13	13	12	12	N/A	N/A
28.	Industrial	N/A	0	0	0	0	N/A	N/A
29.	Public Authorities	N/A	4	4	5	5	N/A	N/A
30.	Resale	N/A	47	45	41	39	N/A	N/A
31.	Other	N/A	0	0	0	0	N/A	N/A
32.	Total Number of Customers	N/A	156	151	143	138	N/A	N/A
33.	Estimated Overall Rate of Return	N/A	11.03%	11.71%	10.64%	10.06%	N/A	N/A
34.	Estimated Return on Common Equity	N/A	13.05%	13.97%	12.21%	11.40%	N/A	N/A
35.	Common Equity Ratio	N/A	60.87%	60.89%	60.02%	59.27%	N/A	N/A
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	N/A	5.19	5.31	4.66	4.39	N/A	N/A
37.	LAST RATE CASE	Authorized Returns: Common Equity N/A, Overall 10.09%; Equity Ratio: N/A; Date of Order: 10-27-95						

Notes: [1] Rates are set on a total company basis.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate		
		September 1999 (b)	September 1998 (c)	September 1997 (d)	September 1996 (e)	September 1995 (f)	Four Year (g)	Current Year (h)	
1.	Operating Revenue:								
2.	Residential	\$174,560	\$194,193	\$193,809	\$172,468	\$134,998	6.64%	-10.11%	
3.	Commercial	89,406	102,921	105,511	96,410	72,177	5.50%	-13.13%	
4.	Industrial	74,164	90,390	94,056	96,475	50,434	10.12%	-17.95%	
5.	Public Authorities	2,677	3,110	3,413	2,976	2,558	1.14%	-13.92%	
6.	Resale	0	0	0	2,216	3,110	N/A	N/A	
7.	Other	23,549	78,850	64,980	27,104	27,115	-3.46%	-70.13%	
8.	Total Operating Revenue	<u>364,356</u>	<u>469,464</u>	<u>461,749</u>	<u>397,549</u>	<u>290,392</u>	<u>5.84%</u>	<u>-22.39%</u>	
9.	Cost of Gas	183,474	264,130	279,915	231,763	140,872	6.83%	-30.54%	
10.	Margin	180,882	205,334	181,834	165,786	149,520	4.88%	-11.91%	
11.	O & M Expenses	68,772	69,490	71,043	69,164	65,150	1.36%	-1.03%	
12.	Other Deductions	61,287	72,559	61,507	55,161	46,548	7.12%	-15.53%	
13.	Operating Income	<u>\$50,823</u>	<u>\$63,285</u>	<u>\$49,284</u>	<u>\$41,441</u>	<u>\$37,822</u>	<u>7.67%</u>	<u>-19.69%</u>	
14.	Net Plant Investment	<u>\$519,932</u>	<u>\$473,071</u>	<u>\$449,263</u>	<u>\$415,623</u>	<u>\$387,801</u>	<u>7.61%</u>	<u>9.91%</u>	
15.	Operating Exp. as a % of Margin	38.02%	33.84%	39.07%	41.72%	43.57%	-3.35%	12.35%	
16.	Net Plt. Investment per \$ of Margin	\$2.87	\$2.30	\$2.47	\$2.51	\$2.59	2.60%	24.78%	
17.	Gas Delivered in DTs:								
18.	Residential	22,768	24,631	23,012	25,462	19,926	3.39%	-7.56%	
19.	Commercial	14,917	16,036	15,398	16,827	12,899	3.70%	-6.98%	
20.	Industrial	19,731	23,138	20,177	23,490	14,516	7.98%	-14.72%	
21.	Public Authorities	423	462	482	509	475	-2.86%	-8.44%	
22.	Resale	0	0	0	448	1,456	N/A	N/A	
23.	Other	22,672	43,557	37,393	17,930	24,105	-1.52%	-47.95%	
24.	Total DTs	<u>80,511</u>	<u>107,824</u>	<u>96,462</u>	<u>84,668</u>	<u>73,377</u>	<u>2.35%</u>	<u>-25.33%</u>	
25.	Number of Customers:								
26.	Residential	332	314	296	274	284	5.90%	5.73%	
27.	Commercial	39	37	38	34	33	4.26%	5.41%	
28.	Industrial	2	2	2	2	2	0.00%	0.00%	
29.	Public Authorities	6	6	6	6	5	4.66%	0.00%	
30.	Resale	0	0	0	0	0	N/A	N/A	
31.	Other	0	0	0	0	0	N/A	N/A	
32.	Total Number of Customers	<u>379</u>	<u>359</u>	<u>340</u>	<u>318</u>	<u>304</u>	<u>5.67%</u>	<u>5.57%</u>	
33.	Estimated Overall Rate of Return	10.50%	12.31%	10.79%	10.13%	9.64%	2.18%	-14.70%	
34.	Estimated Return on Common Equity	12.90%	16.13%	13.50%	11.89%	11.23%	3.53%	-20.02%	
35.	Common Equity Ratio	53.86%	53.33%	50.32%	51.52%	50.07%	1.84%	0.99%	
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.17	4.77	3.67	3.47	3.27	6.27%	-12.58%	
37.	LAST RATE CASE	Authorized Returns: Common Equity N/A, Overall N/A; Equity Ratio: N/A; Date of Order: 10-23-96							

Notes: [1] North Carolina retail jurisdictional revenue equates to 53% 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 Retail Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 1999 (b)	September 1998 (c)	September 1997 (d)	September 1996 (e)	September 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$173,611	\$183,813	\$183,392	\$162,400	\$135,848	6.32%	-5.55%
3.	Commercial	78,073	83,581	88,199	80,807	65,714	3.73%	-8.96%
4.	Industrial	7,585	22,021	36,131	38,208	18,745	-20.30%	-65.65%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	0	0	0	0	4,809	N/A	N/A
7.	Other	41,604	41,278	32,209	27,667	22,779	16.25%	0.79%
8.	Total Operating Revenue	298,853	330,671	337,931	308,882	247,893	4.76%	-9.62%
9.	Cost of Gas	133,442	174,301	182,004	168,137	117,085	3.33%	-23.44%
10.	Margin	165,411	156,370	155,927	140,745	130,828	6.04%	5.78%
11.	O & M Expenses	70,597	59,917	61,187	55,203	51,269	8.33%	17.82%
12.	Other Deductions	56,615	57,359	55,023	50,251	45,499	5.62%	-1.30%
13.	Operating Income	\$38,199	\$39,094	\$39,717	\$35,291	\$34,080	2.91%	-2.29%
14.	Net Plant Investment	\$510,321	\$495,582	\$459,181	\$418,840	\$382,788	7.45%	2.97%
15.	Operating Exp. as a % of Margin	42.68%	38.32%	39.24%	39.22%	39.19%	2.16%	11.38%
16.	Net Plt. Investment per \$ of Margin	\$3.09	\$3.17	\$2.94	\$2.98	\$2.93	1.34%	-2.52%
17.	Gas Delivered in DTs:							
18.	Residential	19,530	20,795	19,761	22,398	17,567	2.68%	-6.08%
19.	Commercial	12,117	12,618	12,373	14,307	11,955	0.55%	-3.97%
20.	Industrial	1,444	4,511	7,459	9,327	4,944	-26.49%	-67.99%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22.	Resale	0	0	0	0	0	N/A	N/A
23.	Other	32,153	29,516	25,524	19,613	24,253	7.30%	8.93%
24.	Total DTs	65,244	67,440	65,114	65,645	58,619	2.71%	-3.26%
25.	Number of Customers:							
26.	Residential	295	279	284	249	247	4.54%	5.73%
27.	Commercial	42	41	39	39	29	9.70%	2.44%
28.	Industrial	2	2	2	0	0	N/A	0.00%
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	339	322	305	288	276	5.27%	5.26%
33.	Estimated Overall Rate of Return	9.23%	9.28%	10.20%	10.61%	10.98%	-4.25%	-0.54%
34.	Estimated Return on Common Equity	11.12%	10.79%	12.55%	12.82%	12.70%	-3.27%	3.06%
35.	Common Equity Ratio	48.56%	48.97%	48.58%	51.29%	54.70%	-2.93%	-0.84%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.20	3.14	3.40	3.63	3.80	-4.21%	1.91%
37.	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 OPERATIONAL DATA
North Carolina Intrastate Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1998 (b)	December 1997 (c)	December 1996 (d)	December 1995 (e)	December 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$63,267	\$57,628	\$50,393	\$42,419	\$35,737	15.35%	9.79%
3.	Network Access	20,200	20,706	21,342	20,771	16,440	5.28%	-2.44%
4.	Long Distance Message	5,498	5,403	7,927	15,637	11,187	-16.27%	1.76%
5.	Miscellaneous	3,577	2,477	1,286	5,157	3,335	1.77%	44.41%
6.	Uncollectibles	(580)	(278)	(490)	(1,612)	(865)	-9.51%	108.63%
7.	Total Operating Revenue	<u>91,862</u>	<u>85,936</u>	<u>80,458</u>	<u>82,372</u>	<u>65,834</u>	<u>8.72%</u>	<u>7.01%</u>
8.	Operating Expenses	42,171	39,913	39,333	36,985	28,560	10.23%	5.66%
9.	Depreciation & Amortization	15,276	14,026	13,154	16,360	11,852	6.55%	8.91%
10.	Total Operating Taxes	13,434	12,171	10,612	11,442	9,888	7.97%	10.38%
11.	Total Expenses, Depr. & Taxes	<u>70,881</u>	<u>66,110</u>	<u>63,099</u>	<u>64,787</u>	<u>50,298</u>	<u>8.95%</u>	<u>7.22%</u>
12.	Other Operating (Income) & Expense	0	0	0	(187)	0	N/A	N/A
13.	Operating Income	<u>\$21,081</u>	<u>\$19,826</u>	<u>\$17,359</u>	<u>\$17,772</u>	<u>\$15,536</u>	<u>7.93%</u>	<u>6.33%</u>
14.	Net Plant Investment	<u>\$146,651</u>	<u>\$145,745</u>	<u>\$134,278</u>	<u>\$133,271</u>	<u>\$110,197</u>	<u>7.41%</u>	<u>0.62%</u>
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15.	Oper. Exp. as a % of Total Revenue	45.86%	46.45%	48.89%	44.90%	43.38%	1.40%	-1.27%
16.	Net Plt. Investment per \$ of Revenue	\$1.59	\$1.70	\$1.67	\$1.62	\$1.87	-1.22%	-6.47%
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17.	Local Access Lines:							
18.	Residential	158	147	137	130	99	12.40%	7.48%
19.	Business	49	45	41	36	24	19.54%	8.89%
20.	Total Local Access Lines	<u>207</u>	<u>192</u>	<u>178</u>	<u>166</u>	<u>123</u>	<u>13.90%</u>	<u>7.81%</u>
21.	Total Access Lines:							
22.	Residential	158	147	137	130	99	12.40%	7.48%
23.	Business	49	45	41	37	24	19.54%	8.89%
24.	Total Access Lines	<u>207</u>	<u>192</u>	<u>178</u>	<u>167</u>	<u>123</u>	<u>13.80%</u>	<u>7.81%</u>
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25.	Estimated Overall Rate of Return	16.01%	15.71%	14.29%	13.78%	<i>14.42%</i>	2.65%	1.91%
26.	Estimated Return on Common Equity	20.65%	20.90%	18.36%	17.57%	<i>20.20%</i>	0.55%	-1.20%
27.	Common Equity Ratio	61.69%	60.78%	61.43%	61.33%	<i>62.33%</i>	-0.26%	1.50%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.24	6.45	7.61	7.84	<i>10.44</i>	-8.74%	12.25%
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29.	LAST RATE CASE	Authorized Returns: Common Equity 13.20%, Overall 10.33%; Equity Ratio: 42.11%; Date of Order: 11-25-88						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 81% of total North Carolina revenue, i.e., intrastate and interstate revenue.

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

[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 25 - 28, Column (f)] which is from past Commission Surveillance Report.

[4] ALLTEL Carolina, Inc. has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for ALLTEL Carolina, Inc. included herein will be updated annually beginning with the calendar year 1998.

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

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1998 (b)	December 1997 (c)	December 1996 (d)	December 1995 (e)	December 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$955,410	\$871,804	\$805,817	\$689,370	\$638,507	10.80%	9.59%
3.	Network Access	159,061	159,274	163,878	161,256	166,347	-1.27%	-0.76%
4.	Long Distance Message	42,476	49,446	84,874	106,379	125,826	-23.75%	-14.10%
5.	Miscellaneous	47,598	37,573	84,291	89,552	86,417	-13.85%	26.68%
6.	Uncollectibles	(6,300)	(13,684)	(12,559)	(5,880)	(6,684)	-1.47%	-53.96%
7.	Total Operating Revenue	1,197,243	1,104,413	1,105,701	1,040,677	1,010,213	4.34%	8.41%
8.	Operating Expenses	463,029	457,536	496,846	494,761	464,499	-0.08%	1.20%
9.	Depreciation & Amortization	291,352	290,581	284,607	208,264	243,722	4.56%	0.27%
10.	Total Operating Taxes	166,120	164,263	125,641	139,583	119,308	8.83%	1.13%
11.	Total Expenses, Depr. & Taxes	920,501	912,380	907,094	842,588	827,529	2.70%	0.89%
12.	Other Operating (Income) & Expense	(530)	98	70	(51)	(261)	19.37%	N/A
13.	Operating Income	\$277,272	\$191,935	\$198,537	\$198,140	\$182,945	10.85%	44.46%
14.	Net Plant Investment	\$1,883,734	\$1,864,967	\$1,852,897	\$1,893,522	\$1,758,883	1.49%	-0.07%
15.	Oper. Exp. as a % of Total Revenue	38.67%	41.43%	44.93%	47.54%	45.98%	-4.24%	-6.66%
16.	Net Plt. Investment per \$ of Revenue	\$1.56	\$1.69	\$1.69	\$1.82	\$1.74	-2.69%	-7.69%
17.	Local Access Lines:							
18.	Residential	1,600	1,524	1,449	1,396	1,344	4.46%	4.99%
19.	Business	688	657	588	543	488	8.89%	4.41%
20.	Total Local Access Lines	2,288	2,181	2,047	1,939	1,832	5.69%	4.81%
21.	Total Access Lines:							
22.	Residential	1,600	1,524	1,449	1,396	1,344	4.46%	4.99%
23.	Business	690	663	604	550	497	8.55%	4.07%
24.	Total Access Lines	2,290	2,187	2,053	1,946	1,841	5.61%	4.71%
25.	Estimated Overall Rate of Return	17.19%	11.95%	12.46%	12.72%	10.67%	12.93%	43.85%
26.	Estimated Return on Common Equity	25.24%	16.15%	17.54%	16.94%	13.85%	16.19%	56.28%
27.	Common Equity Ratio	57.55%	57.38%	55.89%	56.65%	63.07%	-2.26%	0.30%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	9.30	7.30	6.62	6.71	6.67	8.66%	27.40%
29.	LAST RATE CASE	Authorized Returns: Common Equity 15.00%, Overall 12.51%; Equity Ratio: 54.80%; Date of Order: 11-9-84						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 74% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in *italics* (Lines 25 - 28, Column (f)) which is from past Commission Surveillance Report.
[4] BellSouth Telecommunications, Inc. has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for BellSouth Telecommunications, Inc. included herein will be updated annually beginning with the calendar year 1996.
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1998 (b)	December 1997 (c)	December 1996 (d)	December 1995 (e)	December 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$360,990	\$338,306	\$309,556	\$259,741	\$234,847	11.35%	6.71%
3.	Network Access	89,806	88,775	91,084	86,173	82,413	2.11%	0.94%
4.	Long Distance Message	24,436	32,804	39,116	67,623	75,426	-24.56%	-25.51%
5.	Miscellaneous	34,582	45,277	51,545	46,673	43,289	-5.46%	-23.62%
6.	Uncollectibles	(5,716)	(6,667)	(5,613)	(3,343)	(2,471)	23.33%	-14.26%
7.	Total Operating Revenue	<u>503,898</u>	<u>498,495</u>	<u>485,888</u>	<u>456,867</u>	<u>433,504</u>	<u>3.83%</u>	<u>1.08%</u>
8.	Operating Expenses	259,881	250,852	256,783	234,038	214,099	4.96%	3.80%
9.	Depreciation & Amortization	129,667	123,663	117,404	95,023	97,470	7.40%	4.88%
10.	Total Operating Taxes	<u>50,037</u>	<u>52,515</u>	<u>48,115</u>	<u>52,547</u>	<u>48,699</u>	<u>0.68%</u>	<u>-4.72%</u>
11.	Total Expenses, Depr. & Taxes	<u>439,585</u>	<u>427,030</u>	<u>422,302</u>	<u>381,608</u>	<u>360,268</u>	<u>5.10%</u>	<u>2.84%</u>
12.	Operating Income	<u>\$64,313</u>	<u>\$71,465</u>	<u>\$63,386</u>	<u>\$75,259</u>	<u>\$73,236</u>	<u>-3.20%</u>	<u>-10.01%</u>
13.	Net Plant Investment	<u>\$642,707</u>	<u>\$661,395</u>	<u>\$674,875</u>	<u>\$688,175</u>	<u>\$688,337</u>	<u>-0.97%</u>	<u>-2.83%</u>
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14.	Oper. Exp. as a % of Total Revenue	51.57%	50.32%	52.87%	51.23%	49.39%	1.09%	2.49%
15.	Net Plt. Investment per \$ of Revenue	\$1.28	\$1.33	\$1.39	\$1.51	\$1.54	-4.63%	-3.87%
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16.	Local Access Lines:							
17.	Residential	844	813	792	762	734	3.55%	3.81%
18.	Business	284	259	230	208	191	10.43%	9.65%
19.	Total Local Access Lines	<u>1,128</u>	<u>1,072</u>	<u>1,022</u>	<u>970</u>	<u>925</u>	<u>5.09%</u>	<u>5.22%</u>
20.	Total Access Lines:							
21.	Residential	844	813	792	762	734	3.55%	3.81%
22.	Business	<u>285</u>	<u>260</u>	<u>231</u>	<u>210</u>	<u>194</u>	<u>10.09%</u>	<u>9.62%</u>
23.	Total Access Lines	<u>1,129</u>	<u>1,073</u>	<u>1,023</u>	<u>972</u>	<u>928</u>	<u>5.02%</u>	<u>5.22%</u>
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24.	Estimated Overall Rate of Return	11.69%	12.53%	11.02%	13.07%	12.80%	-2.24%	-6.70%
25.	Estimated Return on Common Equity	15.10%	16.59%	13.60%	16.38%	16.51%	-2.21%	-8.98%
26.	Common Equity Ratio	62.09%	60.75%	62.23%	62.60%	66.13%	-1.56%	2.21%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.59	7.65	6.45	6.93	7.67	-0.26%	-0.78%
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28.	LAST RATE CASE	Authorized Returns: Common Equity 15.25%, Overall 11.82%; Equity Ratio: 48.40%; Date of Order: 3-30-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 75% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Column (f)] which is from past Commission Surveillance Report.
[4] Carolina Telephone and Telegraph Company has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for Carolina Telephone and Telegraph Company included herein will be updated annually beginning with the calendar year 1996.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1988 (b)	December 1987 (c)	December 1986 (d)	December 1985 (e)	December 1984 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$88,288	\$83,322	\$77,233	\$60,431	\$54,879	12.82%	5.98%
3.	Network Access	19,093	19,320	19,387	20,030	18,733	0.48%	-1.17%
4.	Long Distance Message	7,841	9,543	9,188	22,339	23,809	-24.25%	-17.84%
5.	Miscellaneous	12,488	13,219	10,662	10,350	6,997	15.58%	-5.53%
6.	Uncollectibles	(1,773)	(1,559)	(1,015)	(732)	(430)	42.50%	13.73%
7.	Total Operating Revenue	125,937	123,845	115,475	112,418	103,988	4.90%	1.89%
8.	Operating Expenses	70,236	70,435	72,780	68,124	67,117	1.14%	-0.28%
9.	Depreciation & Amortization	21,629	21,262	20,823	13,911	12,915	13.76%	1.73%
10.	Total Operating Taxes	14,113	13,035	8,780	11,842	9,499	10.40%	8.27%
11.	Total Expenses, Depr. & Taxes	105,978	104,732	102,383	93,977	89,531	4.31%	1.19%
12.	Operating Income	\$19,959	\$19,113	\$13,092	\$18,441	\$14,457	8.40%	4.43%
13.	Net Plant Investment	\$210,041	\$201,341	\$194,240	\$189,012	\$179,157	4.06%	4.32%
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14.	Oper. Exp. as a % of Total Revenue	55.77%	56.87%	63.03%	60.60%	64.54%	-3.59%	-1.94%
15.	Net Plt. Investment per \$ of Revenue	\$1.67	\$1.63	\$1.68	\$1.68	\$1.72	-0.81%	2.59%
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16.	Local Access Lines:							
17.	Residential	196	190	185	179	173	3.17%	3.16%
18.	Business	70	63	58	52	47	10.47%	11.11%
19.	Total Local Access Lines	266	253	241	231	220	4.86%	5.14%
20.	Total Access Lines:							
21.	Residential	196	190	185	179	173	3.17%	3.16%
22.	Business	70	63	57	52	47	10.47%	11.11%
23.	Total Access Lines	266	253	242	231	220	4.86%	5.14%
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24.	Estimated Overall Rate of Return	12.84%	12.60%	8.86%	13.05%	8.35%	11.36%	1.90%
25.	Estimated Return on Common Equity	12.39%	12.60%	8.40%	15.10%	15.29%	-5.12%	-1.67%
26.	Common Equity Ratio	89.13%	88.21%	80.85%	85.95%	87.06%	0.59%	1.04%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	10.79	12.81	5.92	6.22	6.88	11.99%	-14.43%
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28.	LAST RATE CASE	Authorized Returns: Common Equity 15.50%, Overall 12.09%; Equity Ratio: 48.30%; Date of Order: 6-22-83						

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 except for data in italics [Lines 24 - 27, Column (f)] which is from past Commission Surveillance Report.
[4] Central Telephone Company has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for Central Telephone Company included herein will be updated annually beginning with the calendar year 1996.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 1999 (b)	September 1998 (c)	September 1997 (d)	September 1996 (e)	September 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$4,720	\$4,522	\$4,227	\$3,762	\$3,347	8.97%	4.38%
3.	Network Access	3,863	3,512	3,184	2,754	2,598	10.43%	9.99%
4.	Long Distance Message	1,204	1,158	1,173	1,379	1,928	-11.10%	4.15%
5.	Miscellaneous	900	848	810	811	812	2.61%	6.13%
6.	Uncollectibles	(17)	(28)	(32)	(13)	(10)	14.18%	-39.29%
7.	Total Operating Revenue	10,670	10,010	9,362	8,693	8,675	5.31%	6.59%
8.	Operating Expenses	4,146	4,016	3,759	3,751	3,627	3.40%	3.24%
9.	Depreciation & Amortization	2,545	2,705	2,018	2,097	2,194	3.78%	-5.81%
10.	Total Operating Taxes	1,328	1,022	1,208	890	889	10.55%	29.94%
11.	Total Expenses, Depr. & Taxes	8,019	7,743	6,985	6,738	6,710	4.56%	3.56%
12.	Operating Income	\$2,651	\$2,267	\$2,377	\$1,955	\$1,965	7.77%	16.94%
13.	Net Plant Investment	\$19,669	\$18,619	\$18,033	\$17,238	\$17,603	2.81%	5.64%
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14.	Oper. Exp. as a % of Total Revenue	38.86%	40.12%	40.15%	43.15%	41.81%	-1.81%	-3.14%
15.	Net Plt. Investment per \$ of Revenue	\$1.84	\$1.86	\$1.93	\$1.98	\$2.03	-2.43%	-1.08%
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16.	Local Access Lines:							
17.	Residential	16	15	15	14	14	3.39%	6.67%
18.	Business	4	4	3	3	3	7.46%	0.00%
19.	Total Local Access Lines	20	19	18	17	17	4.15%	5.26%
20.	Total Access Lines:							
21.	Residential	16	15	15	14	14	3.39%	6.67%
22.	Business	4	4	3	3	3	7.46%	0.00%
23.	Total Access Lines	20	19	18	17	17	4.15%	5.26%
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24.	Estimated Overall Rate of Return	13.76%	12.73%	14.11%	11.76%	10.91%	5.97%	8.09%
25.	Estimated Return on Common Equity	17.31%	16.13%	19.23%	15.34%	14.08%	5.30%	7.32%
26.	Common Equity Ratio	60.96%	57.39%	54.21%	51.19%	48.25%	6.03%	6.26%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.90	4.89	5.38	4.17	3.83	11.41%	20.65%
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28.	LAST RATE CASE	Authorized Returns: Common Equity 12.70%, Overall 10.11%; Equity Ratio: 44.95%; Date of Order: 2-28-91						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 72% 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 Intrastate Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual	
		December 1996	December 1997	December 1996	December 1995	December 1994	Growth Four Year	Rate Current Year
		(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Basic Local Service	\$35,129	\$29,982	\$24,034	\$21,231	\$18,818	18.89%	17.25%
3.	Network Access	5,836	5,351	4,083	3,818	3,436	14.16%	9.08%
4.	Long Distance Message	4,937	7,113	8,713	5,748	7,135	-8.80%	-30.59%
5.	Miscellaneous	6,970	6,274	5,861	4,760	4,427	12.02%	11.09%
6.	Uncollectibles	(73)	(165)	(132)	(168)	(143)	-15.47%	-55.76%
7.	Total Operating Revenue	<u>52,799</u>	<u>48,535</u>	<u>42,559</u>	<u>35,189</u>	<u>33,673</u>	<u>11.90%</u>	<u>8.79%</u>
8.	Operating Expenses	27,025	24,581	24,155	15,683	14,332	17.18%	9.94%
9.	Depreciation & Amortization	11,988	8,881	7,700	9,238	11,152	1.78%	73.93%
10.	Total Operating Taxes	<u>6,544</u>	<u>7,739</u>	<u>5,077</u>	<u>4,790</u>	<u>3,943</u>	<u>13.50%</u>	<u>-15.44%</u>
11.	Total Expenses, Depr. & Taxes	<u>45,537</u>	<u>39,201</u>	<u>36,932</u>	<u>29,711</u>	<u>29,427</u>	<u>11.53%</u>	<u>18.18%</u>
12.	Operating Income	<u>\$7,262</u>	<u>\$9,334</u>	<u>\$5,627</u>	<u>\$5,478</u>	<u>\$4,246</u>	<u>14.36%</u>	<u>-22.20%</u>
13.	Net Plant Investment	<u>\$60,644</u>	<u>\$63,801</u>	<u>\$52,363</u>	<u>\$44,072</u>	<u>\$40,505</u>	<u>10.62%</u>	<u>-4.95%</u>
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14.	Oper. Exp. as a % of Total Revenue	51.18%	50.65%	56.76%	44.57%	42.56%	4.72%	1.05%
15.	Net Plt. Investment per \$ of Revenue	\$1.15	\$1.31	\$1.23	\$1.25	\$1.20	-1.06%	-12.21%
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16.	Local Access Lines:							
17.	Residential	84	79	76	73	71	4.29%	6.33%
18.	Business	24	23	21	18	17	9.00%	4.35%
19.	Total Local Access Lines	<u>108</u>	<u>102</u>	<u>97</u>	<u>91</u>	<u>88</u>	<u>5.25%</u>	<u>5.88%</u>
20.	Total Access Lines:							
21.	Residential	84	79	76	73	71	4.29%	6.33%
22.	Business	24	23	21	18	17	9.00%	4.35%
23.	Total Access Lines	<u>108</u>	<u>102</u>	<u>97</u>	<u>91</u>	<u>88</u>	<u>5.25%</u>	<u>5.88%</u>
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24.	Estimated Overall Rate of Return	15.82%	20.39%	14.91%	16.49%	10.83%	9.94%	-22.41%
25.	Estimated Return on Common Equity	18.21%	22.92%	16.04%	18.23%	13.74%	7.30%	-20.55%
26.	Common Equity Ratio	78.06%	84.96%	88.35%	84.95%	85.44%	-2.23%	-8.12%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	18.77	42.30	44.17	34.01	17.60	-1.20%	-60.35%
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28.	LAST RATE CASE	Authorized Returns: Common Equity 15.50%, Overall 12.11%; Equity Ratio: 58.59%; Date of Order: 6-17-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 78% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Column (f)] which is from past Commission Surveillance Report.
[4] Concord Telephone Company has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1997. The data for Concord Telephone Company included herein will be updated annually beginning with the calendar year 1997.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1998	December 1997	December 1996	December 1995	December 1994	Four Year	Current Year
		(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Basic Local Service	\$117,728	\$111,078	\$103,423	\$91,407	\$86,354	7.44%	5.99%
3.	Network Access	62,117	57,345	52,637	40,840	48,486	6.39%	8.32%
4.	Long Distance Message	8,204	9,528	15,488	22,425	14,970	-19.77%	-34.87%
5.	Miscellaneous	18,249	15,993	14,049	14,227	4,180	44.55%	14.11%
6.	Uncollectibles	(3,743)	(1,986)	(1,874)	(3,152)	42	N/A	87.53%
7.	Total Operating Revenue	<u>200,555</u>	<u>191,946</u>	<u>183,723</u>	<u>165,747</u>	<u>156,032</u>	<u>6.48%</u>	<u>4.49%</u>
8.	Operating Expenses	100,685	90,819	86,905	82,367	83,900	4.66%	10.86%
9.	Depreciation & Amortization	69,858	62,991	60,916	35,422	33,180	20.46%	10.90%
10.	Total Operating Taxes	<u>9,108</u>	<u>13,594</u>	<u>13,862</u>	<u>20,998</u>	<u>14,860</u>	<u>-11.52%</u>	<u>-33.00%</u>
11.	Total Expenses, Depr. & Taxes	<u>179,851</u>	<u>187,404</u>	<u>181,883</u>	<u>138,785</u>	<u>131,940</u>	<u>8.02%</u>	<u>7.32%</u>
12.	Other Operating (Income) & Expense	80	21	62	(3)	(391)	N/A	185.71%
13.	Operating Income	<u>\$20,844</u>	<u>\$24,521</u>	<u>\$21,978</u>	<u>\$26,965</u>	<u>\$24,483</u>	<u>-3.94%</u>	<u>-15.00%</u>
14.	Net Plant Investment	<u>\$340,952</u>	<u>\$351,886</u>	<u>\$355,008</u>	<u>\$355,020</u>	<u>\$354,833</u>	<u>-0.99%</u>	<u>-3.11%</u>
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15.	Oper. Exp. as a % of Total Revenue	50.20%	47.31%	47.30%	49.69%	53.77%	-1.70%	6.10%
16.	Net Plt. Investment per \$ of Revenue	\$1.70	\$1.83	\$1.93	\$2.14	\$2.27	-7.02%	-7.27%
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17.	Local Access Lines:							
18.	Residential	231	221	210	199	192	4.73%	4.52%
19.	Business	132	121	109	97	88	10.67%	9.09%
20.	Total Local Access Lines	<u>363</u>	<u>342</u>	<u>319</u>	<u>296</u>	<u>280</u>	<u>6.71%</u>	<u>6.14%</u>
21.	Total Access Lines:							
22.	Residential	231	221	210	199	192	4.73%	4.52%
23.	Business	<u>214</u>	<u>188</u>	<u>184</u>	<u>136</u>	<u>120</u>	<u>15.56%</u>	<u>9.18%</u>
24.	Total Access Lines	<u>445</u>	<u>417</u>	<u>374</u>	<u>335</u>	<u>312</u>	<u>9.28%</u>	<u>6.71%</u>
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25.	Estimated Overall Rate of Return	6.74%	6.73%	7.80%	9.82%	N/A	N/A	-22.79%
26.	Estimated Return on Common Equity	4.50%	6.62%	7.84%	11.17%	N/A	N/A	-47.80%
27.	Common Equity Ratio	60.56%	63.23%	62.17%	58.20%	N/A	N/A	-4.22%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	1.81	3.56	3.46	4.45	N/A	N/A	-49.16%
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29.	LAST RATE CASE	Authorized Returns: Common Equity 13.90%, Overall 11.82%; Equity Ratio: 50.00%; Date of Order: 9-16-86						

- Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 72% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data on Lines 2 - 11 and Lines 17 - 24, Column (f) which are the sum total of figures for GTE South, Inc. and GTE of North Carolina, which were being provided on a separated basis prior to January 1996.
[4] GTE South Incorporated has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for GTE South Incorporated included herein will be updated annually beginning with the calendar year 1996.
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

LEXCOM TELEPHONE, INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
Total Company Utility Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 1999 (b)	September 1998 (c)	September 1997 (d)	September 1996 (e)	September 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$11,465	\$10,595	\$9,667	\$7,344	\$6,276	16.26%	8.21%
3.	Network Access	2,956	3,038	2,976	9,966	9,555	-25.42%	-2.70%
4.	Long Distance Message	405	502	614	1,468	1,745	-30.59%	-19.32%
5.	Miscellaneous	3,367	3,304	2,703	3,145	2,980	3.10%	1.91%
6.	Uncollectibles	(192)	(117)	(150)	(118)	(89)	21.19%	64.10%
7.	Total Operating Revenue	18,001	17,322	15,810	21,803	20,467	-3.18%	3.92%
8.	Operating Expenses	8,828	8,831	8,523	11,901	11,576	-8.55%	-0.03%
9.	Depreciation & Amortization	2,788	3,515	3,001	3,301	2,995	-1.77%	-20.68%
10.	Total Operating Taxes	4,398	2,237	2,863	2,651	2,237	18.41%	96.60%
11.	Total Expenses, Depr. & Taxes	16,014	14,583	14,387	17,853	16,808	-1.20%	9.81%
12.	Operating Income	\$1,987	\$2,739	\$1,423	\$3,950	\$3,659	-14.18%	-27.46%
13.	Net Plant Investment	\$35,319	\$32,815	\$31,895	\$41,866	\$37,739	-1.64%	7.63%
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14.	Oper. Exp. as a % of Total Revenue	49.04%	50.98%	53.91%	54.58%	56.58%	-3.50%	-3.81%
15.	Net Pl. Investment per \$ of Revenue	\$1.96	\$1.89	\$2.02	\$1.92	\$1.84	1.59%	3.70%
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16.	Local Access Lines:							
17.	Residential	24	24	23	22	21	3.39%	0.00%
18.	Business	10	10	9	8	8	5.74%	0.00%
19.	Total Local Access Lines	34	34	32	30	29	4.06%	0.00%
20.	Total Access Lines:							
21.	Residential	24	24	23	22	21	3.39%	0.00%
22.	Business	10	10	9	8	8	5.74%	0.00%
23.	Total Access Lines	34	34	32	30	29	4.06%	0.00%
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24.	Estimated Overall Rate of Return	7.11%	11.19%	5.97%	12.67%	12.03%	-12.32%	-36.46%
25.	Estimated Return on Common Equity	7.01%	11.78%	5.44%	13.88%	13.03%	-14.36%	-40.46%
26.	Common Equity Ratio	91.42%	87.03%	77.88%	79.36%	80.65%	3.18%	5.04%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	31.71	21.64	9.82	12.63	12.88	25.31%	46.53%
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28.	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
Total Company Utility Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 1999 (b)	September 1998 (c)	September 1997 (d)	September 1996 (e)	September 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$2,608	\$2,257	\$2,045	\$1,820	\$1,665	11.87%	15.55%
3.	Network Access	3,479	3,058	3,394	2,587	2,540	8.18%	13.84%
4.	Long Distance Message	812	733	601	614	581	9.69%	10.78%
5.	Miscellaneous	653	401	189	134	175	38.99%	62.84%
6.	Uncollectibles	35	(140)	(72)	(46)	(40)	N/A	N/A
7.	Total Operating Revenue	<u>7,587</u>	<u>6,307</u>	<u>6,157</u>	<u>5,089</u>	<u>4,901</u>	<u>11.54%</u>	<u>20.29%</u>
8.	Operating Expenses	4,488	4,857	3,799	3,598	3,476	6.48%	-8.01%
9.	Depreciation & Amortization	969	719	808	590	921	1.26%	34.77%
10.	Total Operating Taxes	751	222	745	51	192	40.63%	238.29%
11.	Total Expenses, Depr. & Taxes	<u>6,188</u>	<u>5,798</u>	<u>5,352</u>	<u>4,237</u>	<u>4,589</u>	<u>7.76%</u>	<u>6.73%</u>
12.	Operating Income	<u>\$1,399</u>	<u>\$509</u>	<u>\$805</u>	<u>\$852</u>	<u>\$312</u>	<u>45.52%</u>	<u>174.85%</u>
13.	Net Plant Investment	<u>\$8,096</u>	<u>\$7,005</u>	<u>\$6,909</u>	<u>\$6,371</u>	<u>\$6,239</u>	<u>6.73%</u>	<u>15.57%</u>
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14.	Oper. Exp. as a % of Total Revenue	58.89%	77.01%	61.70%	70.66%	70.92%	-4.54%	-23.53%
15.	Net Plt. Investment per \$ of Revenue	\$1.07	\$1.11	\$1.12	\$1.25	\$1.27	-4.19%	-3.80%
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16.	Local Access Lines:							
17.	Residential	8	8	7	7	6	7.46%	0.00%
18.	Business	3	2	2	2	2	10.67%	50.00%
19.	Total Local Access Lines	<u>11</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>8</u>	<u>8.29%</u>	<u>10.00%</u>
20.	Total Access Lines:							
21.	Residential	8	8	7	7	6	7.46%	0.00%
22.	Business	3	2	2	2	2	10.67%	50.00%
23.	Total Access Lines	<u>11</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>8</u>	<u>8.29%</u>	<u>10.00%</u>
<hr/>								
24.	Estimated Overall Rate of Return	20.17%	5.43%	12.88%	13.69%	8.23%	25.12%	271.45%
25.	Estimated Return on Common Equity	66.10%	11.69%	19.42%	22.55%	11.23%	55.76%	465.44%
26.	Common Equity Ratio	22.61%	28.00%	49.26%	46.32%	41.90%	-14.29%	-19.25%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.65	3.19	7.23	3.74	1.49	39.55%	77.12%

28. **LAST RATE CASE** Authorized Returns: Common Equity 16.50%, Overall 5.92%; Equity Ratio:16.92%; Date of Order: 11-26-99

- 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.
[4] On December 31, 1998, MEBTEL Communications filed a petition in Docket No. P-35, Sub 96, requesting approval of its price regulation election. By Order dated September 10, 1999, the Commission approved for implementation a price regulation plan for MEBTEL Communications.
[5] Significant changes in data for this reporting period are caused by the recent acquisition of MEBTEL Communications by Madison River Communications, Inc.
[6] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 1999 (b)	September 1998 (c)	September 1997 (d)	September 1996 (e)	September 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$31,776	\$28,628	\$26,840	\$20,632	\$18,153	15.02%	11.00%
3.	Network Access	29,794	28,776	28,105	27,149	26,342	3.13%	3.54%
4.	Long Distance Message	1,989	2,163	2,274	3,701	5,437	-22.23%	-8.04%
5.	Miscellaneous	7,888	7,359	6,484	5,854	5,782	7.47%	4.44%
6.	Uncollectibles	(817)	(694)	(594)	(425)	(407)	10.96%	-11.10%
7.	Total Operating Revenue	70,628	66,232	63,109	56,911	55,287	6.31%	6.64%
8.	Operating Expenses	30,943	28,364	26,036	26,883	25,666	4.79%	9.09%
9.	Depreciation & Amortization	13,882	16,479	10,778	12,660	10,063	8.36%	-15.76%
10.	Total Operating Taxes	11,126	9,373	11,149	7,614	8,784	6.08%	18.70%
11.	Total Expenses, Depr. & Taxes	55,951	54,216	47,963	47,157	44,513	5.88%	3.20%
12.	Other Operating (Income) & Expense	(153)	(224)	81	(532)	(234)	-10.08%	-31.70%
13.	Operating Income	\$14,630	\$12,240	\$15,065	\$10,286	\$11,008	7.74%	21.16%
14.	Net Plant Investment	\$91,808	\$87,020	\$86,351	\$85,017	\$78,508	3.99%	5.50%
15.	Oper. Exp. as a % of Total Revenue	43.81%	42.83%	41.28%	47.24%	46.42%	-1.44%	2.30%
16.	Net Plt. Investment per \$ of Revenue	\$1.30	\$1.31	\$1.37	\$1.49	\$1.42	-2.19%	-1.06%
17.	Local Access Lines:							
18.	Residential	85	81	77	74	72	4.24%	4.94%
19.	Business	43	40	37	34	31	8.52%	7.50%
20.	Total Local Access Lines	128	121	114	108	103	5.58%	5.79%
21.	Total Access Lines:							
22.	Residential	85	81	77	74	72	4.24%	4.94%
23.	Business	43	40	37	34	31	8.52%	7.50%
24.	Total Access Lines	128	121	114	108	103	5.58%	5.79%
25.	Estimated Overall Rate of Return	17.19%	15.28%	19.09%	13.80%	16.39%	1.20%	12.50%
26.	Estimated Return on Common Equity	17.63%	15.69%	19.77%	14.27%	17.23%	0.58%	12.36%
27.	Common Equity Ratio	95.98%	95.48%	94.84%	93.60%	92.10%	1.04%	0.52%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	150.62	119.84	130.85	67.72	69.36	21.39%	25.68%
29.	LAST RATE CASE	Authorized Returns: Common Equity N/A, Overall N/A; Equity Ratio: N/A; Date of Order: 6-13-52						

Notes: [1] Rates are set on a total company basis.
[2] Net plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports.
[4] N/A denotes that data is not available or not applicable or that information is, essentially, unmeaningful.

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