

# *Quarterly Review*

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## *Selected Financial and Operational Data:*

*Re:*

### *Electric Companies*

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

### *Natural Gas Local Distribution Companies*

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

### *Telecommunications Companies*

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

■ *Quarter Ending September 30, 2001* ■

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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.*

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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 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.**

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## ***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, 2001 — 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, Vol. Nos. 204-213, from April 2001 Through January 2002***

**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, 2001, 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 09/30/01				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)
<b>Electric Companies</b>									
1.	Carolina Power & Light Company	9.13%	8.07%	48.31%	3.35	12.75%	10.45%	44.00%	08/05/88
2.	Dominion North Carolina Power	12.11%	9.30%	46.26%	4.47	11.80%	9.48%	44.82%	02/26/93
3.	Duke Power, a Division of Duke Energy Corporation	12.51%	10.25%	59.63%	5.86	12.50%	10.44%	49.82%	11/12/91
4.	Nantahala Power and Light Company	8.70%	8.15%	60.27%	3.97	12.10%	10.32%	56.11%	06/18/93
<b>Natural Gas Local Distribution Companies</b>									
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	0.24%	3.90%	44.83%	0.98	N/A	10.09%	N/A	10/27/95
7.	Piedmont Natural Gas Company, Inc.	10.03%	8.88%	50.66%	3.10	11.30%	9.70%	52.71%	10/05/00
8.	Public Service Company of North Carolina, Inc.	14.22%	10.64%	47.77%	3.90	11.40%	9.82%	51.91%	10/30/98
<b>Telecommunications Companies</b>									
9.	* ALLTEL Carolina, Inc.	18.00%	16.35%	67.00%	5.65	13.20%	10.33%	42.11%	11/25/86
10.	* BellSouth Telecommunications, Inc.	25.61%	17.13%	55.01%	8.67	15.00%	12.51%	54.80%	11/09/84
11.	* Carolina Telephone and Telegraph Company	25.05%	17.81%	61.20%	11.12	15.25%	11.82%	48.40%	03/30/83
12.	* Central Telephone Company	18.23%	18.19%	90.50%	15.61	15.50%	12.09%	48.30%	06/22/83
13.	Citizens Telephone Company	15.58%	13.10%	65.87%	6.58	12.70%	10.11%	44.95%	02/26/91
14.	* Concord Telephone Company	19.24%	15.98%	71.44%	11.88	15.50%	12.11%	58.59%	06/17/83
15.	LEXCOM Telephone Company	13.43%	13.16%	95.07%	69.77	16.25%	12.77%	37.22%	06/14/82
16.	* MEBTEL Communications	22.37%	19.04%	60.77%	5.01	16.50%	5.92%	16.92%	11/26/79
17.	North State Communications	17.09%	16.83%	97.60%	369.70	N/A	N/A	N/A	06/13/52
18.	* Verizon South Inc.	-1.99%	2.66%	52.45%	0.26	13.90%	11.82%	50.00%	09/16/86

**NOTES:**

\* [1] Companies electing price regulation are denoted above with an asterisk. For those companies, with the exception of Concord Telephone Company, ALLTEL Carolina, Inc., and MEBTEL Communications, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996; therefore, the data for such companies included herein is updated annually beginning with the calendar year 1996. Concord Telephone Company elected price regulation during 1997, and 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 is updated annually beginning with the calendar year 1997. ALLTEL Carolina, Inc. elected price regulation during 1998, 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. is updated annually beginning with the calendar year 1998. MEBTEL Communications elected price regulation during 1999, and the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after September 30, 1999. Thus, the data for MEBTEL Communications is updated annually beginning with the calendar year 1999.

[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, 2001, 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

[5] Selected financial market indicators from "Moody's Credit Perspectives", Volume 95, No. 7, February 18, 2002 follow:

**Part I**

Line No.	Date (a)	U.S. Treasury Securities			Dealer-Placed 3-Month CP (e)	Moody's Long-Term Corporate Bond Yield (f)
		3-Month Bill % (b)	10-Year Note % (c)	30-Year Bond % (d)		
1.	February 8, 2002	1.68	4.89	5.38	1.79	7.32
2.	February 11, 2002	1.71	4.90	5.40	1.80	7.33
3.	February 12, 2002	1.71	4.90	5.40	1.79	7.38
4.	February 13, 2002	1.72	4.99	5.45	1.80	7.38
5.	February 14, 2002	1.72	4.96	5.41	1.82	7.34
6.	Month of January 2002	1.65	4.99	5.44	1.72	7.38
7.	Month of December 2001	1.69	5.04	5.47	1.81	7.55

**Part II**

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

Line No.	Rating (a)	02/14/02 (b)	Past 12-Months		Monthly Average	
			High (c)	Low (d)	Jan. 2002 (e)	Dec. 2001 (f)
1.	Aaa *	--	7.61	7.31	--	--
2.	Aa	7.15	7.79	7.28	7.28	7.53
3.	A	7.57	7.99	7.57	7.66	7.83

\* [6] According to "Moody's Credit Perspectives", Volume 95, No. 7, as of 12/10/01 the "Aaa" Utilities Index will be discontinued indefinitely. As a result, there will be a pronounced drop in the "Aaa" Corporate yields from the time of discontinuation forward, but the rest of the yield calculations should remain comparable to their recent history.

**Summary Statement  
Of Key Financial Ratios Achieved By  
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Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios are for  
Twelve Months Ended September 30, 2001, Except for Certain Telecommunications Companies - See Note [1]"

**NOTES - continued**

**NOTES:** [7] Selected financial market indicators from "Moody's Credit Perspectives", Volume 95, No. 7, February 18, 2002 follow - continued:

**Part III**

**New offerings by public utilities - listing is all inclusive for the week of February 18, 2002:**

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield		Rating (f)
				Current (d)	Maturity (e)	
1.	Duke Energy Corporation	\$750 Million	10 Years	6.250%	6.310%	A1
2.	Duke Energy Corporation	\$250 Million	3 Years	Floating **	--	A1
3.	Verizon New Jersey, Inc.	\$1 Billion	10 Years	5.875%	5.960%	Aa2
4.	Gulf Power Company	\$45 Million	10 Years	6.000%	--	Aaa
5.	South Carolina Electric & Gas Co.	\$300 Million	30 Years	6.625%	6.690%	A1
6.	Virginia Electric and Power Co.	\$650 Million	5 Years	5.375%	5.470%	A3

\*\* [8] 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. 204-213, from April 2001 through January 2002**

(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)		
<b>Electric Companies</b>					
1.	Wisconsin Electric Power Company (WI)	12.20%	10.52%	08/30/00	Volume 204
2.	Hawaii Electric Light Company, Inc. (HI)	11.50%	9.14%	02/08/01	Volume 207
3.	Montana Power Company (MT)	10.75%	8.46%	05/09/01	Volume 209
4.	Western Resources, Inc. (KS)	11.02%	9.08%	07/25/01	Volume 211
5.	Portland General Electric Company (OR)	10.50%	N/A	08/31/01	Volume 212
6.	PacifiCorp., d/b/a Utah Power and Light Co. (UT)	11.00%	8.87%	09/10/01	Volume 213
<b>Natural Gas Local Distribution Companies</b>					
7.	Louisville Gas and Electric Company (KY)	11.25%	N/A	09/27/00	Volume 204
8.	Avista Corporation (WA)	11.16%	9.03%	09/29/00	Volume 204
9.	Wisconsin Public Service Corporation (WI)	12.10%	9.74%	12/22/00	Volume 206
10.	City Gas Company of Florida (FL)	11.50%	N/A	02/05/01	Volume 207
11.	Public Service Company of Colorado (CO)	11.25%	9.33%	03/15/01	Volume 208
12.	Montana Power Company (MT)	10.75%	8.82%	05/09/01	Volume 209
13.	Northern States Power Company (ND)	11.50%	8.89%	06/27/01	Volume 211
14.	Southwest Gas Corporation (AZ)	11.00%	9.19%	10/30/01	Volume 213
15.	Mobile Gas Service Corporation (AL)	13.60%	N/A	10/30/01	Volume 213

**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. 204-213, from April 2001 through January 2002**

(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)		
<b>Water Companies</b>					
16.	Consumers Maine Water Company (ME)	10.00%	9.64%	09/26/00	Volume 204
17.	Illinois-American Water Company (IL)	10.20%	8.40%	02/15/01	Volume 208
18.	Emporium Water Company (PA)	11.00%	N/A	03/08/01	Volume 208
19.	Artesian Water Company, Inc. (DE)	10.50%	N/A	06/19/01	Volume 211

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***
  - ***Dominion North Carolina Power***
  - ***Duke Power, a Division of Duke Energy Corporation***
  - ***Nantahala Power and Light Company***
  
- ▣ ***Natural Gas Local Distribution Companies***
  - ***North Carolina Gas Service, Division of NUI***
  - ***North Carolina Natural Gas Corporation***
  - ***Piedmont Natural Gas Company, Inc.***
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  - ***MEBTEL Communications***
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  - ***Verizon South Inc.***

**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 2001 (b)	September 2000 (c)	September 1999 (d)	September 1998 (e)	September 1997 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,427,995	\$2,274,372	\$2,240,690	\$2,289,595	\$2,131,983	3.30%	6.75%
2.	Operating Expenses:							
3.	Fuel	459,719	428,935	417,231	420,393	350,518	7.02%	7.18%
4.	Purchased Power	261,657	228,847	280,777	284,725	260,645	0.10%	14.34%
5.	Maintenance	142,376	138,940	154,940	141,546	168,833	-4.17%	2.47%
6.	Other Operating Expenses	403,850	369,849	338,186	332,654	375,804	1.82%	9.19%
7.	Total Operating Expenses	1,267,602	1,166,571	1,191,134	1,179,318	1,155,800	2.34%	8.66%
8.	Depreciation & Amortization	542,241	385,830	357,641	363,395	354,352	11.22%	40.54%
9.	Total Expenses & Depreciation	1,809,843	1,552,401	1,548,975	1,542,713	1,510,152	4.63%	16.58%
10.	Total Operating Taxes	291,058	338,269	336,477	351,795	286,564	0.39%	-13.96%
11.	Total Expenses, Depr. & Taxes	2,100,901	1,890,670	1,885,452	1,894,508	1,796,716	3.99%	11.12%
12.	Operating Income	\$327,094	\$383,702	\$355,238	\$395,087	\$335,267	-0.62%	-14.75%
13.	Net Plant Investment	\$4,400,000	\$4,240,797	\$4,354,495	\$4,318,472	\$4,366,726	0.19%	3.75%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	52.21%	51.29%	53.16%	51.51%	54.21%	-0.94%	1.79%
15.	Net Plt. Investment per \$ of Revenue	\$1.81	\$1.86	\$1.94	\$1.89	\$2.05	-3.06%	-2.69%
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16.	Number of Customers Served:							
17.	Residential	932	907	882	859	836	2.75%	2.76%
18.	Commercial	164	158	154	149	145	3.13%	3.80%
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	1102	1071	1042	1014	987	2.79%	2.89%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	12,625	11,756	11,394	11,402	10,393	4.98%	7.39%
24.	Commercial	10,234	9,774	9,339	9,004	8,343	5.24%	4.71%
25.	Industrial	10,321	11,107	11,247	11,521	11,525	-2.72%	-7.08%
26.	Other	3,984	4,436	4,797	6,036	4,645	-3.76%	-10.19%
27.	Total Sales	37,164	37,073	36,777	37,963	34,908	1.58%	0.25%
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28.	Estimated Overall Rate of Return	8.07%	9.61%	9.02%	10.08%	8.80%	-2.14%	-16.02%
29.	Estimated Return on Common Equity	9.13%	12.42%	10.82%	12.72%	10.62%	-3.71%	-26.49%
30.	Common Equity Ratio	48.31%	53.16%	56.99%	55.68%	54.51%	-2.97%	-9.12%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.35	5.10	5.19	5.44	4.61	-7.67%	-34.31%
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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 71% of total company electric utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC ES-1 Reports.



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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 2001 (b)	September 2000 (c)	September 1999 (d)	September 1998 (e)	September 1997 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$249,942	\$223,016	\$220,328	\$222,135	\$218,060	3.47%	12.07%
2.	Operating Expenses:							
3.	Fuel	39,901	34,469	29,808	28,379	26,892	10.37%	15.76%
4.	Purchased Power	49,867	48,244	50,678	52,679	51,595	-0.85%	3.36%
5.	Maintenance	0	0	14,534	10,721	12,047	N/A	N/A
6.	Other Operating Expenses	56,939	47,992	32,817	30,348	31,378	16.06%	18.64%
7.	Total Operating Expenses	146,707	130,705	127,837	122,127	121,912	4.74%	12.24%
8.	Depreciation & Amortization	26,443	26,446	25,107	27,350	25,935	0.49%	-0.01%
9.	Total Expenses & Depreciation	173,150	157,151	152,944	149,477	147,847	4.03%	10.18%
10.	Total Operating Taxes	37,531	29,096	28,734	35,612	26,917	8.67%	28.98%
11.	Total Expenses, Depr. & Taxes	210,681	186,249	181,678	185,089	174,764	4.78%	13.12%
12.	Operating Income	\$39,261	\$36,767	\$38,650	\$37,046	\$43,296	-2.42%	6.78%
13.	Net Plant Investment	\$433,046	\$364,043	\$407,592	\$430,799	\$442,927	-0.56%	18.95%
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14.	Oper. Exp. as a % of Total Revenue	58.70%	58.61%	58.02%	54.98%	55.91%	1.22%	0.15%
15.	Net Plt. Investment per \$ of Revenue	\$1.73	\$1.63	\$1.85	\$1.94	\$2.03	-3.92%	6.13%
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16.	Number of Customers Served:							
17.	Residential	93	92	91	89	88	1.39%	1.09%
18.	Commercial	14	14	14	13	13	1.87%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	2	2	2	2	2	0.00%	0.00%
21.	Total Number of Customers	109	108	107	104	103	1.43%	0.93%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,382	1,238	1,197	1,179	1,086	6.21%	11.83%
24.	Commercial	708	670	650	653	621	3.33%	5.67%
25.	Industrial	1,452	1,197	1,191	1,266	1,276	3.28%	21.30%
26.	Other	137	129	126	116	111	5.40%	6.20%
27.	Total Sales	3,679	3,234	3,164	3,214	3,094	4.42%	13.76%
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28.	Estimated Overall Rate of Return	9.30%	9.50%	9.34%	8.57%	9.91%	-1.58%	-2.11%
29.	Estimated Return on Common Equity	12.11%	12.07%	11.88%	10.05%	12.82%	-1.41%	0.33%
30.	Common Equity Ratio	46.26%	48.32%	47.00%	47.34%	47.28%	-0.54%	-4.26%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.47	4.38	3.19	4.08	3.88	3.60%	2.52%
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32.	<b>LAST RATE CASE</b>	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.

**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 2001 (b)	September 2000 (c)	September 1999 (d)	September 1998 (e)	September 1997 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$3,278,157	\$3,088,381	\$3,009,287	\$2,965,193	\$2,877,223	3.30%	6.08%
2.	Operating Expenses:							
3.	Fuel	512,091	434,887	438,740	454,059	452,153	3.16%	17.81%
4.	Purchased Power	288,814	302,042	267,854	266,559	288,646	0.01%	-4.38%
5.	Maintenance	304,493	285,322	274,772	283,983	290,108	1.22%	6.72%
6.	Other Operating Expenses	708,470	699,211	664,234	581,904	584,864	4.91%	1.32%
7.	Total Operating Expenses	1,813,868	1,721,262	1,645,600	1,586,505	1,615,771	2.93%	5.38%
8.	Depreciation & Amortization	397,731	367,282	352,725	348,474	327,952	4.94%	8.30%
9.	Total Expenses & Depreciation	2,211,599	2,088,524	1,998,325	1,934,979	1,943,723	3.28%	5.89%
10.	Total Operating Taxes	486,294	461,978	472,201	486,901	431,492	3.03%	5.26%
11.	Total Expenses, Depr. & Taxes	2,697,893	2,550,502	2,470,526	2,421,880	2,375,215	3.24%	5.78%
12.	Operating Income	\$578,264	\$537,879	\$538,741	\$543,313	\$502,008	3.60%	7.51%
13.	Net Plant Investment	\$6,451,042	\$6,228,976	\$6,157,048	\$6,161,401	\$6,069,841	1.53%	3.57%
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14.	Oper. Exp. as a % of Total Revenue	55.37%	55.73%	54.68%	53.50%	56.16%	-0.35%	-0.65%
15.	Net Plt. Investment per \$ of Revenue	\$1.97	\$2.02	\$2.05	\$2.08	\$2.11	-1.70%	-2.48%
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16.	Number of Customers Served:							
17.	Residential	1,342	1,300	1,272	1,268	1,214	2.54%	3.23%
18.	Commercial	212	210	204	201	192	2.51%	0.95%
19.	Industrial	6	6	6	7	7	-3.78%	0.00%
20.	Other	8	8	7	7	7	3.39%	0.00%
21.	Total Number of Customers	1,568	1,524	1,489	1,483	1,420	2.51%	2.89%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	17,467	16,397	16,128	16,358	14,977	3.92%	6.53%
24.	Commercial	18,278	17,445	16,668	16,086	15,123	4.85%	4.76%
25.	Industrial	16,315	17,696	17,788	18,135	17,705	-2.02%	-7.80%
26.	Other	228	234	225	219	211	1.96%	-2.56%
27.	Total Sales	52,286	51,772	50,809	50,798	48,016	2.15%	0.99%
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28.	Estimated Overall Rate of Return	10.25%	9.88%	9.92%	10.09%	9.55%	1.78%	3.96%
29.	Estimated Return on Common Equity	12.51%	11.84%	12.30%	12.48%	11.37%	2.42%	5.66%
30.	Common Equity Ratio	59.63%	59.17%	55.76%	54.12%	54.10%	2.48%	0.78%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.86	5.61	5.31	5.14	4.83	4.95%	4.46%
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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 68% 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 2001 (b)	September 2000 (c)	September 1999 (d)	September 1998 (e)	September 1997 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$73,932	\$68,011	\$65,190	\$66,413	\$60,063	5.33%	8.71%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	0	0	0	324	9	N/A	N/A
4.	Purchased Power - Regular	31,441	27,644	25,643	26,782	23,538	7.51%	13.74%
5.	Maintenance	5,422	5,627	5,341	4,341	4,944	2.33%	-3.64%
6.	Other Operating Expenses	8,632	8,325	7,619	7,455	8,007	1.90%	3.69%
7.	Total Operating Expenses	45,495	41,596	38,603	38,902	36,498	5.66%	9.37%
8.	Depreciation & Amortization	6,921	6,346	5,995	5,630	4,328	12.45%	9.03%
9.	Total Expenses & Depreciation	52,416	47,944	44,598	44,532	40,826	6.45%	9.33%
10.	Total Operating Taxes	8,860	8,394	9,252	9,698	8,711	0.42%	5.55%
11.	Total Expenses, Depr. & Taxes	61,276	56,338	53,850	54,230	49,537	5.46%	8.76%
12.	Operating Income	\$12,656	\$11,673	\$11,340	\$12,183	\$10,526	4.71%	8.42%
13.	Net Plant Investment	\$167,001	\$150,984	\$145,227	\$133,939	\$125,574	7.39%	10.61%
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14.	Oper. Exp. as a % of Total Revenue	61.54%	61.16%	59.22%	58.58%	60.77%	0.32%	0.62%
15.	Net Plt. Investment per \$ of Revenue	\$2.26	\$2.22	\$2.23	\$2.02	\$2.09	1.97%	1.80%
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16.	Number of Customers Served:							
17.	Residential	56	55	53	52	51	2.37%	1.82%
18.	Commercial	7	7	7	6	6	3.93%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	0	0	0	0	0	N/A	N/A
21.	Total Number of Customers	63	62	60	58	57	2.53%	1.61%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	564	525	499	504	457	5.40%	7.43%
24.	Commercial	384	368	348	343	314	5.16%	4.35%
25.	Industrial	122	141	137	135	124	-0.41%	-13.48%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	1,072	1,036	986	984	897	4.56%	3.47%
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28.	Estimated Overall Rate of Return	8.15%	8.22%	8.41%	9.50%	8.94%	-2.29%	-0.85%
29.	Estimated Return on Common Equity	8.70%	8.83%	9.25%	11.53%	10.35%	-3.41%	-1.47%
30.	Common Equity Ratio	60.27%	57.46%	54.28%	50.83%	51.16%	4.18%	4.89%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.97	3.68	3.47	3.66	3.44	3.65%	7.88%
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32.	<b>LAST RATE CASE</b>	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 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 2001 (b)	September 2000 (c)	September 1999 (d)	September 1998 (e)	September 1997 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$10,757	N/A	N/A	\$6,909	N/A	N/A	N/A
3.	Commercial	5,553	N/A	N/A	3,148	N/A	N/A	N/A
4.	Industrial	2,664	N/A	N/A	3,458	N/A	N/A	N/A
5.	Public Authorities	0	N/A	N/A	0	N/A	N/A	N/A
6.	Resale	533	N/A	N/A	1,280	N/A	N/A	N/A
7.	Other	3,131	N/A	N/A	2,293	N/A	N/A	N/A
8.	Total Operating Revenue	<u>22,638</u>	N/A	N/A	<u>17,088</u>	N/A	N/A	N/A
9.	Cost of Gas	15,022	N/A	N/A	9,927	N/A	N/A	N/A
10.	Margin	7,616	N/A	N/A	7,161	N/A	N/A	N/A
11.	O & M Expenses	3,570	N/A	N/A	4,411	N/A	N/A	N/A
12.	Other Deductions	2,588	N/A	N/A	1,747	N/A	N/A	N/A
13.	Operating Income	<u>\$1,458</u>	N/A	N/A	<u>\$1,003</u>	N/A	N/A	N/A
14.	Net Plant Investment	<u>\$16,410</u>	N/A	N/A	<u>\$14,810</u>	N/A	N/A	N/A
15.	Operating Exp. as a % of Margin	46.88%	N/A	N/A	61.60%	N/A	N/A	N/A
16.	Net Plt. investment per \$ of Margin	\$2.15	N/A	N/A	\$2.07	N/A	N/A	N/A
17.	Gas Delivered in DTs:							
18.	Residential	933	N/A	N/A	905	N/A	N/A	N/A
19.	Commercial	605	N/A	N/A	515	N/A	N/A	N/A
20.	Industrial	326	N/A	N/A	1,470	N/A	N/A	N/A
21.	Public Authorities	0	N/A	N/A	0	N/A	N/A	N/A
22.	Resale	0	N/A	N/A	0	N/A	N/A	N/A
23.	Other	1,814	N/A	N/A	1,807	N/A	N/A	N/A
24.	Total DTs	<u>3,778</u>	N/A	N/A	<u>4,697</u>	N/A	N/A	N/A
25.	Number of Customers:							
26.	Residential	12	N/A	N/A	12	N/A	N/A	N/A
27.	Commercial	2	N/A	N/A	2	N/A	N/A	N/A
28.	Industrial	0	N/A	N/A	0	N/A	N/A	N/A
29.	Public Authorities	0	N/A	N/A	0	N/A	N/A	N/A
30.	Resale	0	N/A	N/A	0	N/A	N/A	N/A
31.	Other	0	N/A	N/A	0	N/A	N/A	N/A
32.	Total Number of Customers	<u>14</u>	N/A	N/A	<u>14</u>	N/A	N/A	N/A
33.	Estimated Overall Rate of Return	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34.	Estimated Return on Common Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35.	Common Equity Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 11.40%, Overall 9.18%; Equity Ratio: 47.57%; Date of Order: 9-20-95						

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 2001 (b)	September 2000 (c)	September 1999 (d)	September 1998 (e)	September 1997 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$81,451	\$51,443	N/A	\$48,816	\$46,870	N/A	58.33%
3.	Commercial	58,977	34,017	N/A	30,995	31,055	N/A	67.50%
4.	Industrial	77,534	100,752	N/A	52,225	57,522	N/A	-23.04%
5.	Public Authorities	2,844	2,065	N/A	1,858	1,993	N/A	37.72%
6.	Resale	38,269	20,164	N/A	16,463	21,847	N/A	79.87%
7.	Other	112,785	60,759	N/A	26,091	22,817	N/A	85.59%
8.	Total Operating Revenue	<u>387,840</u>	<u>269,200</u>	<u>N/A</u>	<u>174,448</u>	<u>181,704</u>	<u>N/A</u>	<u>36.64%</u>
9.	Cost of Gas	<u>288,239</u>	<u>195,070</u>	<u>N/A</u>	<u>99,339</u>	<u>108,497</u>	<u>N/A</u>	<u>52.89%</u>
10.	Margin	69,601	74,130	N/A	75,109	73,207	N/A	-8.11%
11.	O & M Expenses	48,133	36,364	N/A	25,151	25,454	N/A	26.88%
12.	Other Deductions	<u>28,639</u>	<u>24,699</u>	<u>N/A</u>	<u>28,262</u>	<u>27,865</u>	<u>N/A</u>	<u>7.85%</u>
13.	Operating Income	<u>(\$3,171)</u>	<u>\$13,067</u>	<u>N/A</u>	<u>\$20,698</u>	<u>\$19,888</u>	<u>N/A</u>	<u>N/A</u>
14.	Net Plant Investment	<u>\$289,667</u>	<u>\$227,520</u>	<u>N/A</u>	<u>\$207,471</u>	<u>\$199,387</u>	<u>N/A</u>	<u>27.31%</u>
15.	Operating Exp. as a % of Margin	66.28%	49.05%	N/A	33.49%	34.77%	N/A	35.13%
16.	Net Pft. Investment per \$ of Margin	\$4.18	\$3.07	N/A	\$2.78	\$2.72	N/A	35.50%
17.	Gas Delivered in DTs:							
18.	Residential	7,010	6,152	N/A	6,065	5,868	N/A	13.95%
19.	Commercial	5,897	5,404	N/A	5,248	5,099	N/A	9.12%
20.	Industrial	10,289	24,238	N/A	13,494	13,126	N/A	-57.55%
21.	Public Authorities	284	264	N/A	309	320	N/A	7.58%
22.	Resale	4,057	4,859	N/A	3,028	4,094	N/A	-18.51%
23.	Other	25,551	18,479	N/A	28,833	26,953	N/A	55.05%
24.	Total DTs	<u>53,088</u>	<u>57,396</u>	<u>N/A</u>	<u>54,977</u>	<u>55,458</u>	<u>N/A</u>	<u>-7.51%</u>
25.	Number of Customers:							
26.	Residential	97	96	N/A	92	89	N/A	1.04%
27.	Commercial	14	14	N/A	13	13	N/A	0.00%
28.	Industrial	0	0	N/A	0	0	N/A	N/A
29.	Public Authorities	4	4	N/A	4	4	N/A	0.00%
30.	Resale	54	44	N/A	47	45	N/A	22.73%
31.	Other	0	0	N/A	0	0	N/A	N/A
32.	Total Number of Customers	<u>169</u>	<u>158</u>	<u>N/A</u>	<u>156</u>	<u>151</u>	<u>N/A</u>	<u>6.98%</u>
33.	Estimated Overall Rate of Return	3.90%	10.09%	N/A	11.03%	11.71%	N/A	-81.35%
34.	Estimated Return on Common Equity	0.24%	13.67%	N/A	13.05%	13.97%	N/A	-98.24%
35.	Common Equity Ratio	44.83%	50.21%	N/A	60.87%	60.89%	N/A	-10.71%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	0.98	4.45	N/A	5.19	5.31	N/A	-77.98%
37.	<b>LAST RATE CASE</b>	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] Data provided on Lines 33-36, Columns (b) and (c), 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.  
[5] 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 Retail Jurisdiction  
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 2001 (b)	September 2000 (c)	September 1999 (d)	September 1998 (e)	September 1997 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$322,856	\$208,264	\$174,560	\$194,193	\$193,809	13.61%	55.02%
3.	Commercial	166,677	116,391	89,406	102,921	105,511	12.11%	43.20%
4.	Industrial	64,765	118,514	74,164	90,390	94,056	-8.91%	-45.35%
5.	Public Authorities	2,495	2,770	2,677	3,110	3,413	-7.53%	-9.93%
6.	Resale	0	0	0	0	0	N/A	N/A
7.	Other	20,875	16,700	23,549	78,850	64,960	-24.71%	25.00%
8.	Total Operating Revenue	<u>577,668</u>	<u>462,639</u>	<u>364,356</u>	<u>469,464</u>	<u>481,749</u>	<u>5.76%</u>	<u>24.86%</u>
9.	Cost of Gas	393,633	286,195	183,474	264,130	279,915	8.90%	37.54%
10.	Margin	184,035	176,444	180,882	205,334	181,834	0.30%	4.30%
11.	O & M Expenses	80,983	74,293	68,772	69,490	71,043	3.33%	9.00%
12.	Other Deductions	51,824	52,445	61,287	72,559	61,507	-4.19%	-1.18%
13.	Operating Income	<u>\$51,228</u>	<u>\$49,706</u>	<u>\$50,823</u>	<u>\$63,285</u>	<u>\$49,284</u>	<u>0.97%</u>	<u>3.06%</u>
14.	Net Plant Investment	<u>\$591,108</u>	<u>\$559,107</u>	<u>\$519,932</u>	<u>\$473,071</u>	<u>\$449,283</u>	<u>7.10%</u>	<u>5.72%</u>
15.	Operating Exp. as a % of Margin	44.00%	42.11%	38.02%	33.84%	39.07%	3.02%	4.49%
16.	Net Plt. Investment per \$ of Margin	\$3.21	\$3.17	\$2.87	\$2.30	\$2.47	6.77%	1.26%
17.	Gas Delivered in DTs:							
18.	Residential	28,897	24,488	22,768	24,631	23,012	5.86%	18.00%
19.	Commercial	17,634	17,089	14,917	16,036	15,398	3.45%	3.19%
20.	Industrial	8,204	23,647	19,731	23,138	20,177	-20.15%	-65.31%
21.	Public Authorities	238	378	423	462	482	-16.17%	-37.04%
22.	Resale	0	0	0	0	0	N/A	N/A
23.	Other	21,234	13,952	22,672	43,557	37,393	-13.19%	52.19%
24.	Total DTs	<u>76,207</u>	<u>79,554</u>	<u>80,511</u>	<u>107,824</u>	<u>96,462</u>	<u>-5.72%</u>	<u>-4.21%</u>
25.	Number of Customers:							
26.	Residential	364	351	332	314	296	5.31%	3.70%
27.	Commercial	41	40	39	37	36	3.30%	2.50%
28.	Industrial	2	2	2	2	2	0.00%	0.00%
29.	Public Authorities	2	5	6	6	6	-24.02%	-60.00%
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>409</u>	<u>398</u>	<u>379</u>	<u>359</u>	<u>340</u>	<u>4.73%</u>	<u>2.76%</u>
33.	Estimated Overall Rate of Return	8.88%	8.95%	10.50%	12.31%	10.79%	-4.75%	-0.78%
34.	Estimated Return on Common Equity	10.03%	10.27%	12.90%	16.13%	13.50%	-7.16%	-2.34%
35.	Common Equity Ratio	50.66%	51.44%	53.86%	53.33%	50.32%	0.17%	-1.52%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.10	3.27	4.17	4.77	3.67	-4.13%	-5.20%
37.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 11.30%, Overall 9.70%; Equity Ratio: 52.71%; Date of Order: 10-5-00						

Notes: [1] North Carolina retail jurisdictional revenue equates to 51% 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 2001 (b)	September 2000 (c)	September 1999 (d)	September 1998 (e)	September 1997 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$301,723	\$200,776	\$173,611	\$183,813	\$183,392	13.25%	50.28%
3.	Commercial	146,742	92,073	76,073	83,561	86,199	14.23%	59.38%
4.	Industrial	12,919	9,806	7,565	22,021	36,131	-22.67%	31.75%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	10	0	0	0	0	N/A	N/A
7.	Other	46,150	45,415	41,604	41,276	32,209	9.41%	1.62%
8.	Total Operating Revenue	507,544	348,070	298,853	330,671	337,931	10.70%	45.82%
9.	Cost of Gas	337,186	184,506	133,442	174,301	182,004	16.67%	82.75%
10.	Margin	170,358	163,564	165,411	156,370	155,927	2.24%	4.15%
11.	O & M Expenses	66,497	69,196	70,597	59,917	61,187	2.10%	-3.90%
12.	Other Deductions	67,696	62,257	56,615	57,359	55,023	5.32%	8.74%
13.	Operating Income	\$36,165	\$32,111	\$38,199	\$39,094	\$39,717	-2.31%	12.62%
14.	Net Plant Investment	\$492,624	\$493,475	\$510,321	\$495,582	\$459,181	1.77%	-0.17%
15.	Operating Exp. as a % of Margin	39.03%	42.31%	42.68%	38.32%	39.24%	-0.13%	-7.75%
16.	Net Plt. Investment per \$ of Margin	\$2.89	\$3.02	\$3.09	\$3.17	\$2.94	-0.43%	-4.30%
17.	Gas Delivered in DTs:							
18.	Residential	24,718	21,294	19,530	20,795	19,781	5.76%	16.08%
19.	Commercial	14,610	12,958	12,117	12,618	12,373	4.24%	12.75%
20.	Industrial	1,425	1,547	1,444	4,511	7,456	-33.88%	-7.89%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22.	Resale	1	0	0	0	0	N/A	N/A
23.	Other	28,441	33,705	32,153	29,516	25,524	2.74%	-15.62%
24.	Total DTs	69,195	69,504	65,244	67,440	65,114	1.53%	-0.44%
25.	Number of Customers:							
26.	Residential	319	310	295	279	264	4.84%	2.90%
27.	Commercial	42	42	42	41	39	1.87%	0.00%
28.	Industrial	2	2	2	2	2	0.00%	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	363	354	339	322	305	4.45%	2.54%
33.	Estimated Overall Rate of Return	10.64%	9.15%	9.23%	9.28%	10.20%	1.06%	16.28%
34.	Estimated Return on Common Equity	14.22%	11.04%	11.12%	10.79%	12.55%	3.17%	28.80%
35.	Common Equity Ratio	47.77%	47.37%	48.56%	48.97%	48.58%	-0.42%	0.84%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.90	3.17	3.20	3.14	3.40	3.49%	23.03%
37.	<b>LAST RATE CASE</b>	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 2000 (b)	December 1999 (c)	December 1998 (d)	December 1997 (e)	December 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$69,848	\$63,217	\$63,267	\$57,628	\$50,393	8.50%	10.49%
3.	Network Access	24,875	21,166	20,200	20,706	21,342	3.90%	17.52%
4.	Long Distance Message	5,035	5,643	5,498	5,403	7,927	-10.73%	-10.77%
5.	Miscellaneous	3,994	3,636	3,577	2,477	1,286	32.75%	9.85%
6.	Uncollectibles	(511)	(564)	(580)	(278)	(490)	1.05%	-9.40%
7.	Total Operating Revenue	103,241	93,098	91,962	85,936	80,458	6.43%	10.89%
8.	Operating Expenses	47,321	46,647	42,171	39,913	39,333	4.73%	1.44%
9.	Depreciation & Amortization	17,499	16,157	15,276	14,026	13,154	7.40%	8.31%
10.	Total Operating Taxes	14,894	11,879	13,434	12,171	10,612	8.84%	25.38%
11.	Total Expenses, Depr. & Taxes	79,714	74,683	70,881	66,110	63,099	6.02%	6.74%
12.	Other Operating (Income) & Expense	0	0	0	0	0	N/A	N/A
13.	Operating Income	\$23,527	\$18,415	\$21,081	\$19,826	\$17,359	7.90%	27.76%
14.	Net Plant Investment	\$160,844	\$153,889	\$146,651	\$145,745	\$134,278	4.62%	4.52%
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15.	Oper. Exp. as a % of Total Revenue	45.84%	50.11%	45.86%	46.45%	48.89%	-1.60%	-8.52%
16.	Net Plt. Investment per \$ of Revenue	\$1.56	\$1.65	\$1.59	\$1.70	\$1.67	-1.69%	-5.45%
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17.	Local Access Lines:							
18.	Residential	178	169	158	147	137	6.76%	5.33%
19.	Business	55	52	49	45	41	7.62%	5.77%
20.	Total Local Access Lines	233	221	207	192	178	6.96%	5.43%
21.	Total Access Lines:							
22.	Residential	178	169	158	147	137	6.76%	5.33%
23.	Business	55	52	49	45	41	7.62%	5.77%
24.	Total Access Lines	233	221	207	192	178	6.96%	5.43%
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25.	Estimated Overall Rate of Return	16.35%	13.52%	16.01%	15.71%	14.29%	3.42%	20.93%
26.	Estimated Return on Common Equity	18.00%	14.90%	20.65%	20.90%	18.38%	-0.52%	20.81%
27.	Common Equity Ratio	67.00%	65.39%	61.69%	60.78%	61.43%	2.19%	2.46%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.65	4.24	7.24	6.45	7.61	-7.17%	33.25%
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29.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 13.20%, Overall 10.33%; Equity Ratio: 42.11%; Date of Order: 11-25-86						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 79% of total North Carolina revenue, i.e., intrastate and interstate revenue.

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

[3] Source of Data: NCUC TS-1 Reports.

[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, 1998. The data for ALLTEL Carolina, Inc. included herein is 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	
		December 2000 (b)	December 1999 (c)	December 1998 (d)	December 1997 (e)	December 1996 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$1,068,769	\$1,035,846	\$955,410	\$871,804	\$805,617	7.32%	3.18%
3.	Network Access	115,247	144,537	158,061	159,274	163,678	-8.40%	-20.26%
4.	Long Distance Message	27,714	35,137	42,476	49,446	64,674	-19.09%	-21.13%
5.	Miscellaneous	66,612	58,366	47,596	37,573	84,291	-5.71%	14.13%
6.	Uncollectibles	(10,093)	(9,102)	(6,300)	(13,684)	(12,559)	-5.32%	10.89%
7.	Total Operating Revenue	<u>1,268,249</u>	<u>1,264,784</u>	<u>1,197,243</u>	<u>1,104,413</u>	<u>1,105,701</u>	<u>3.49%</u>	<u>0.27%</u>
8.	Operating Expenses	448,878	457,763	463,029	457,536	496,846	-2.51%	-1.94%
9.	Depreciation & Amortization	343,992	310,910	291,352	290,581	284,607	4.85%	10.64%
10.	Total Operating Taxes	195,095	200,530	166,120	164,263	125,641	11.63%	-2.71%
11.	Total Expenses, Depr. & Taxes	<u>987,965</u>	<u>969,203</u>	<u>920,501</u>	<u>912,380</u>	<u>907,094</u>	<u>2.16%</u>	<u>1.94%</u>
12.	Other Operating (Income) & Expense	(247)	46	(530)	98	70	N/A	N/A
13.	Operating Income	<u>\$280,531</u>	<u>\$295,535</u>	<u>\$277,272</u>	<u>\$191,935</u>	<u>\$198,537</u>	<u>9.03%</u>	<u>-5.08%</u>
14.	Net Plant Investment	<u>\$1,931,005</u>	<u>\$1,869,982</u>	<u>\$1,863,734</u>	<u>\$1,864,967</u>	<u>\$1,852,897</u>	<u>1.04%</u>	<u>3.26%</u>
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15.	Oper. Exp. as a % of Total Revenue	35.39%	36.19%	38.67%	41.43%	44.93%	-5.79%	-2.21%
16.	Net Plt. Investment per \$ of Revenue	\$1.52	\$1.48	\$1.56	\$1.69	\$1.68	-2.47%	2.70%
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17.	Local Access Lines:							
18.	Residential	1,690	1,667	1,600	1,524	1,449	3.92%	1.38%
19.	Business	705	694	686	657	598	4.20%	1.59%
20.	Total Local Access Lines	<u>2,395</u>	<u>2,361</u>	<u>2,286</u>	<u>2,181</u>	<u>2,047</u>	<u>4.00%</u>	<u>1.44%</u>
21.	Total Access Lines:							
22.	Residential	1,690	1,667	1,600	1,524	1,449	3.92%	1.38%
23.	Business	714	698	690	663	604	4.27%	2.29%
24.	Total Access Lines	<u>2,404</u>	<u>2,365</u>	<u>2,290</u>	<u>2,187</u>	<u>2,053</u>	<u>4.02%</u>	<u>1.65%</u>
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25.	Estimated Overall Rate of Return	17.13%	18.37%	17.19%	11.95%	12.46%	8.28%	-6.75%
26.	Estimated Return on Common Equity	25.61%	27.75%	25.24%	16.15%	17.54%	9.92%	-7.71%
27.	Common Equity Ratio	55.01%	55.12%	57.55%	57.38%	55.69%	-0.31%	-0.20%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	8.67	9.08	9.30	7.30	6.62	6.98%	-4.52%
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29.	<b>LAST RATE CASE</b>	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 73% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports.  
[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 is updated annually beginning with the calendar year 1996.  
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2000 (b)	December 1999 (c)	December 1998 (d)	December 1997 (e)	December 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$411,137	\$392,091	\$360,990	\$338,306	\$309,556	7.35%	4.86%
3.	Network Access	110,536	86,775	89,606	88,775	91,084	4.96%	27.38%
4.	Long Distance Message	18,286	24,172	24,436	32,804	39,116	-17.31%	-24.35%
5.	Miscellaneous	36,815	32,335	34,582	45,277	51,545	-8.07%	13.85%
6.	Uncollectibles	(5,806)	(6,665)	(5,716)	(6,667)	(5,613)	0.85%	-12.89%
7.	Total Operating Revenue	<u>570,968</u>	<u>528,708</u>	<u>503,898</u>	<u>498,495</u>	<u>485,688</u>	4.13%	7.99%
8.	Operating Expenses	247,280	281,128	259,881	250,852	256,783	-0.94%	-12.04%
9.	Depreciation & Amortization	143,427	134,968	129,667	123,663	117,404	5.13%	6.27%
10.	Total Operating Taxes	76,060	47,966	50,037	52,515	48,115	12.13%	58.57%
11.	Total Expenses, Depr. & Taxes	<u>466,767</u>	<u>464,062</u>	<u>439,585</u>	<u>427,030</u>	<u>422,302</u>	2.53%	0.58%
12.	Operating Income	<u>\$104,201</u>	<u>\$64,646</u>	<u>\$64,313</u>	<u>\$71,465</u>	<u>\$63,386</u>	13.23%	61.19%
13.	Net Plant Investment	<u>\$635,956</u>	<u>\$623,474</u>	<u>\$642,707</u>	<u>\$661,395</u>	<u>\$674,875</u>	-1.47%	2.00%
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14.	Oper. Exp. as a % of Total Revenue	43.31%	53.17%	51.57%	50.32%	52.87%	-4.86%	-18.55%
15.	Net Plt. Investment per \$ of Revenue	\$1.11	\$1.18	\$1.28	\$1.33	\$1.39	-5.38%	-5.55%
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16.	Local Access Lines:							
17.	Residential	917	881	844	813	792	3.73%	4.09%
18.	Business	309	297	284	259	230	7.66%	4.04%
19.	Total Local Access Lines	<u>1,226</u>	<u>1,178</u>	<u>1,128</u>	<u>1,072</u>	<u>1,022</u>	4.65%	4.07%
20.	Total Access Lines:							
21.	Residential	917	881	844	813	792	3.73%	4.09%
22.	Business	310	298	285	260	231	7.63%	4.03%
23.	Total Access Lines	<u>1,227</u>	<u>1,179</u>	<u>1,129</u>	<u>1,073</u>	<u>1,023</u>	4.65%	4.07%
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24.	Estimated Overall Rate of Return	17.81%	12.36%	11.69%	12.53%	11.02%	12.75%	44.09%
25.	Estimated Return on Common Equity	25.05%	15.96%	15.10%	16.59%	13.60%	16.50%	56.95%
26.	Common Equity Ratio	61.20%	62.08%	62.09%	60.75%	62.23%	-0.42%	-1.42%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	11.12	7.35	7.59	7.65	6.45	14.59%	51.29%
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28.	<b>LAST RATE CASE</b>	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.  
[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 is updated annually beginning with the calendar year 1996.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2000 (b)	December 1999 (c)	December 1998 (d)	December 1997 (e)	December 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$103,822	\$98,597	\$88,288	\$83,322	\$77,233	7.68%	5.30%
3.	Network Access	22,930	19,271	19,093	19,320	19,387	4.29%	18.99%
4.	Long Distance Message	7,250	8,163	7,841	9,543	9,188	-5.75%	-11.18%
5.	Miscellaneous	9,691	11,183	12,488	13,219	10,682	-2.40%	-13.34%
6.	Uncollectibles	(1,721)	(1,337)	(1,773)	(1,559)	(1,015)	14.11%	28.72%
7.	Total Operating Revenue	141,972	135,877	125,937	123,845	115,475	5.30%	4.49%
8.	Operating Expenses	71,274	77,567	70,236	70,435	72,780	-0.52%	-8.11%
9.	Depreciation & Amortization	24,167	23,066	21,629	21,262	20,823	3.79%	4.77%
10.	Total Operating Taxes	17,588	13,145	14,113	13,035	8,780	18.97%	33.80%
11.	Total Expenses, Depr. & Taxes	113,029	113,778	105,978	104,732	102,383	2.50%	-0.66%
12.	Operating Income	\$28,943	\$22,099	\$19,959	\$19,113	\$13,092	21.94%	30.97%
13.	Net Plant Investment	\$220,683	\$208,582	\$210,041	\$201,341	\$194,240	3.24%	5.80%
14.	Oper. Exp. as a % of Total Revenue	50.20%	57.09%	55.77%	56.87%	63.03%	-5.53%	-12.06%
15.	Net Plt. Investment per \$ of Revenue	\$1.55	\$1.54	\$1.67	\$1.63	\$1.68	-1.95%	1.26%
16.	Local Access Lines:							
17.	Residential	210	204	196	190	185	3.22%	2.94%
18.	Business	78	73	70	63	56	8.64%	6.85%
19.	Total Local Access Lines	288	277	266	253	241	4.55%	3.97%
20.	Total Access Lines:							
21.	Residential	210	204	196	190	185	3.22%	2.94%
22.	Business	79	73	70	63	57	8.50%	8.22%
23.	Total Access Lines	289	277	266	253	242	4.54%	4.33%
24.	Estimated Overall Rate of Return	18.19%	13.92%	12.84%	12.60%	8.86%	19.70%	30.68%
25.	Estimated Return on Common Equity	18.23%	13.57%	12.39%	12.60%	8.40%	21.37%	34.34%
26.	Common Equity Ratio	90.50%	89.98%	89.13%	88.21%	80.85%	2.86%	0.58%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	15.61	11.96	10.79	12.61	5.92	27.43%	30.52%
28.	<b>LAST RATE CASE</b>	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 79% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports.  
[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 is updated annually beginning with the calendar year 1996.  
[5] N/A denotes that the information to date has not been made available by the Company.

**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 2001 (b)	September 2000 (c)	September 1999 (d)	September 1998 (e)	September 1997 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$5,588	\$5,067	\$4,720	\$4,522	\$4,227	7.23%	10.28%
3.	Network Access	3,130	3,392	3,863	3,512	3,184	-0.43%	-7.72%
4.	Long Distance Message	1,330	1,303	1,204	1,156	1,173	3.19%	2.07%
5.	Miscellaneous	1,059	932	900	848	810	6.93%	13.63%
6.	Uncollectibles	(11)	(13)	(17)	(28)	(32)	-23.43%	-15.38%
7.	Total Operating Revenue	11,096	10,681	10,670	10,010	9,362	4.34%	3.89%
8.	Operating Expenses	4,423	4,447	4,146	4,016	3,759	4.15%	-0.54%
9.	Depreciation & Amortization	2,121	3,299	2,545	2,705	2,018	1.25%	-35.71%
10.	Total Operating Taxes	1,618	1,108	1,328	1,022	1,208	7.58%	46.03%
11.	Total Expenses, Depr. & Taxes	8,162	8,854	8,019	7,743	6,985	3.97%	-7.82%
12.	Operating Income	\$2,934	\$1,827	\$2,651	\$2,267	\$2,377	5.40%	60.59%
13.	Net Plant Investment	\$23,161	\$20,859	\$19,669	\$18,619	\$18,033	6.46%	11.04%
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14.	Oper. Exp. as a % of Total Revenue	39.86%	41.63%	38.86%	40.12%	40.15%	-0.18%	-4.25%
15.	Net Plt. Investment per \$ of Revenue	\$2.09	\$1.95	\$1.84	\$1.86	\$1.93	2.01%	7.18%
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16.	Local Access Lines:							
17.	Residential	17	17	16	15	15	3.18%	0.00%
18.	Business	4	4	4	4	3	7.46%	0.00%
19.	Total Local Access Lines	21	21	20	19	18	3.93%	0.00%
20.	Total Access Lines:							
21.	Residential	17	17	16	15	15	3.18%	0.00%
22.	Business	4	4	4	4	3	7.46%	0.00%
23.	Total Access Lines	21	21	20	19	18	3.93%	0.00%
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24.	Estimated Overall Rate of Return	13.10%	9.41%	13.76%	12.73%	14.11%	-1.84%	39.21%
25.	Estimated Return on Common Equity	15.58%	10.05%	17.31%	16.13%	19.23%	-5.13%	55.02%
26.	Common Equity Ratio	65.87%	63.94%	60.98%	57.39%	54.21%	4.99%	3.02%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.58	4.12	5.90	4.89	5.38	5.16%	59.71%
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28.	<b>LAST RATE CASE</b>	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 71% 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 Growth Rate	
		December 2000 (b)	December 1999 (c)	December 1998 (d)	December 1997 (e)	December 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$42,387	\$38,190	\$35,129	\$29,962	\$24,034	15.24%	10.99%
3.	Network Access	6,907	6,639	5,836	5,351	4,083	14.05%	4.04%
4.	Long Distance Message	5,020	4,739	4,937	7,113	8,713	-12.88%	5.93%
5.	Miscellaneous	7,736	7,264	6,970	6,274	5,861	7.19%	6.50%
6.	Uncollectibles	(241)	(178)	(73)	(165)	(132)	16.24%	35.39%
7.	Total Operating Revenue	61,809	56,654	52,799	48,535	42,559	9.78%	9.10%
8.	Operating Expenses	29,087	28,107	27,025	24,581	24,155	4.75%	3.49%
9.	Depreciation & Amortization	15,434	11,532	11,968	6,881	7,700	18.99%	33.84%
10.	Total Operating Taxes	7,996	7,810	6,544	7,739	5,077	12.03%	2.38%
11.	Total Expenses, Depr. & Taxes	52,517	47,449	45,537	39,201	36,932	9.20%	10.88%
12.	Operating Income	\$9,292	\$9,205	\$7,262	\$9,334	\$5,627	13.36%	0.95%
13.	Net Plant Investment	\$73,143	\$64,987	\$60,644	\$63,801	\$52,363	8.71%	12.55%
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14.	Oper. Exp. as a % of Total Revenue	47.06%	49.61%	51.18%	50.65%	56.76%	-4.58%	-5.14%
15.	Net Plt. Investment per \$ of Revenue	\$1.18	\$1.15	\$1.15	\$1.31	\$1.23	-1.03%	2.61%
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16.	Local Access Lines:							
17.	Residential	91	88	84	79	76	4.61%	3.41%
18.	Business	27	25	24	23	21	6.48%	8.00%
19.	Total Local Access Lines	118	113	108	102	97	5.02%	4.42%
20.	Total Access Lines:							
21.	Residential	91	88	84	79	76	4.61%	3.41%
22.	Business	27	25	24	23	21	6.48%	8.00%
23.	Total Access Lines	118	113	108	102	97	5.02%	4.42%
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24.	Estimated Overall Rate of Return	15.98%	18.12%	15.82%	20.39%	14.91%	1.75%	-11.81%
25.	Estimated Return on Common Equity	19.24%	21.76%	18.21%	22.92%	16.04%	4.65%	-11.58%
26.	Common Equity Ratio	71.44%	75.41%	78.06%	84.96%	88.35%	-5.17%	-5.26%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	11.88	17.89	16.77	42.30	44.17	-27.99%	-33.59%
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28.	<b>LAST RATE CASE</b>	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.  
[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 is updated annually beginning with the calendar year 1997.

**LEXCOM 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 2001 (b)	September 2000 (c)	September 1999 (d)	September 1998 (e)	September 1997 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$13,324	\$12,488	\$11,465	\$10,595	\$9,667	8.35%	6.69%
3.	Network Access	3,876	2,959	2,956	3,038	2,976	6.83%	30.99%
4.	Long Distance Message	333	417	405	502	614	-14.18%	-20.14%
5.	Miscellaneous	3,325	3,893	3,367	3,304	2,703	5.31%	-14.59%
6.	Uncollectibles	(254)	(130)	(192)	(117)	(150)	14.07%	95.38%
7.	Total Operating Revenue	20,604	19,627	18,001	17,322	15,810	6.85%	4.98%
8.	Operating Expenses	7,575	7,917	8,828	8,831	8,523	-2.90%	-4.32%
9.	Depreciation & Amortization	3,521	3,234	2,788	3,515	3,001	4.08%	8.87%
10.	Total Operating Taxes	5,313	5,005	4,398	2,237	2,863	16.72%	6.15%
11.	Total Expenses, Depr. & Taxes	16,409	16,156	16,014	14,583	14,387	3.34%	1.57%
12.	Operating Income	\$4,195	\$3,471	\$1,987	\$2,739	\$1,423	31.03%	20.86%
13.	Net Plant Investment	\$39,113	\$37,961	\$35,319	\$32,815	\$31,895	5.23%	3.03%
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14.	Oper. Exp. as a % of Total Revenue	36.76%	40.34%	49.04%	50.98%	53.91%	-9.13%	-8.87%
15.	Net Plt. Investment per \$ of Revenue	\$1.90	\$1.93	\$1.96	\$1.89	\$2.02	-1.52%	-1.55%
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16.	Local Access Lines:							
17.	Residential	24	25	24	24	23	1.07%	-4.00%
18.	Business	9	10	10	10	9	0.00%	-10.00%
19.	Total Local Access Lines	33	35	34	34	32	0.77%	-5.71%
20.	Total Access Lines:							
21.	Residential	24	25	24	24	23	1.07%	-4.00%
22.	Business	9	10	10	10	9	0.00%	-10.00%
23.	Total Access Lines	33	35	34	34	32	0.77%	-5.71%
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24.	Estimated Overall Rate of Return	13.16%	10.83%	7.11%	11.19%	5.97%	21.85%	21.51%
25.	Estimated Return on Common Equity	13.43%	11.07%	7.01%	11.78%	5.44%	25.35%	21.32%
26.	Common Equity Ratio	95.07%	93.43%	91.42%	87.03%	77.68%	5.18%	1.76%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	69.77	48.94	31.71	21.64	9.82	63.26%	42.56%
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28.	<b>LAST RATE CASE</b>	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	
		December 2000 (b)	December 1999 (c)	December 1998 (d)	December 1997 (e)	December 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$3,288	\$2,754	\$2,313	\$2,096	\$1,873	15.11%	19.39%
3.	Network Access	4,105	3,717	3,106	3,419	2,631	11.76%	10.44%
4.	Long Distance Message	454	739	819	608	612	-7.19%	-38.57%
5.	Miscellaneous	801	866	430	207	171	47.12%	-7.51%
6.	Uncollectibles	(38)	29	23	(111)	(60)	N/A	-231.03%
7.	Total Operating Revenue	8,610	8,105	6,691	6,219	5,227	13.29%	6.23%
8.	Operating Expenses	4,694	4,970	4,943	4,028	3,493	7.67%	-5.55%
9.	Depreciation & Amortization	839	800	708	701	752	2.77%	4.88%
10.	Total Operating Taxes	1,074	802	303	544	355	31.88%	33.92%
11.	Total Expenses, Depr. & Taxes	6,607	6,572	5,954	5,273	4,600	9.47%	0.53%
12.	Operating Income	\$2,003	\$1,533	\$737	\$946	\$627	33.69%	30.66%
13.	Net Plant Investment	\$8,554	\$8,631	\$7,684	\$6,964	\$6,351	7.73%	-0.89%
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14.	Oper. Exp. as a % of Total Revenue	54.52%	61.32%	73.88%	64.77%	66.83%	-4.96%	-11.09%
15.	Net Plt. Investment per \$ of Revenue	\$0.99	\$1.06	\$1.15	\$1.12	\$1.22	-5.09%	-6.60%
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16.	Local Access Lines:							
17.	Residential	9	9	8	7	7	6.48%	0.00%
18.	Business	3	3	2	2	2	10.67%	0.00%
19.	Total Local Access Lines	12	12	10	9	9	7.46%	0.00%
20.	Total Access Lines:							
21.	Residential	9	9	8	7	7	6.48%	0.00%
22.	Business	3	3	2	2	2	10.67%	0.00%
23.	Total Access Lines	12	12	10	9	9	7.46%	0.00%
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24.	Estimated Overall Rate of Return	19.04%	17.95%	10.06%	15.01%	12.54%	11.00%	6.07%
25.	Estimated Return on Common Equity	22.37%	55.31%	12.74%	23.94%	18.10%	5.44%	-59.56%
26.	Common Equity Ratio	60.77%	23.07%	25.06%	49.89%	47.08%	6.59%	163.42%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.01	4.98	1.75	7.08	3.84	6.88%	0.60%
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28.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 16.50%, Overall 5.92%; Equity Ratio:16.92%; Date of Order: 11-26-79						

Notes: [1] Rates are set on a total company basis.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports.  
[4] MEBTEL Communications 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 September 30, 1999. The data for MEBTEL Communications included herein is updated annually beginning with the calendar year 2000.  
[5] Significant changes in data for this reporting period are caused by the 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 COMMUNICATIONS**  
**SELECTED FINANCIAL AND OPERATIONAL DATA**  
**Total Company Utility Operations**  
**(Amounts In Thousands)**

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 2001 (b)	September 2000 (c)	September 1999 (d)	September 1998 (e)	September 1997 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$36,456	\$34,618	\$31,776	\$28,628	\$26,840	7.96%	5.31%
3.	Network Access	33,623	31,484	29,794	28,776	28,105	4.58%	6.79%
4.	Long Distance Message	2,114	2,014	1,989	2,163	2,274	-1.81%	4.97%
5.	Miscellaneous	8,013	8,330	7,686	7,359	6,484	5.44%	-3.81%
6.	Uncollectibles	(1,051)	(893)	(617)	(694)	(594)	15.33%	17.69%
7.	Total Operating Revenue	79,155	75,553	70,628	66,232	63,109	5.83%	4.77%
8.	Operating Expenses	32,378	31,301	30,943	28,364	26,036	5.60%	3.44%
9.	Depreciation & Amortization	16,461	14,598	13,882	16,479	10,778	11.17%	12.76%
10.	Total Operating Taxes	13,056	12,883	11,126	9,373	11,149	4.03%	1.34%
11.	Total Expenses, Depr. & Taxes	61,895	58,782	55,951	54,216	47,963	6.58%	5.30%
12.	Other Operating (Income) & Expense	(194)	(139)	(153)	(224)	81	N/A	39.57%
13.	Operating Income	\$17,454	\$16,910	\$14,830	\$12,240	\$15,065	3.75%	3.22%
14.	Net Plant Investment	\$109,829	\$101,770	\$91,808	\$87,020	\$86,351	6.20%	7.92%
15.	Oper. Exp. as a % of Total Revenue	40.90%	41.43%	43.81%	42.83%	41.26%	-0.21%	-1.27%
16.	Net Pft. Investment per \$ of Revenue	\$1.39	\$1.35	\$1.30	\$1.31	\$1.37	0.35%	3.01%
17.	Local Access Lines:							
18.	Residential	87	88	85	81	77	3.10%	-1.14%
19.	Business	48	47	43	40	37	6.72%	2.13%
20.	Total Local Access Lines	135	135	128	121	114	4.32%	0.00%
21.	Total Access Lines:							
22.	Residential	88	88	85	81	77	3.39%	0.00%
23.	Business	48	48	43	40	37	6.72%	0.00%
24.	Total Access Lines	136	136	128	121	114	4.51%	0.00%
25.	Estimated Overall Rate of Return	16.83%	18.17%	17.19%	15.28%	19.09%	-3.10%	-7.37%
26.	Estimated Return on Common Equity	17.09%	18.50%	17.63%	15.69%	19.77%	-3.58%	-7.62%
27.	Common Equity Ratio	97.60%	97.32%	95.98%	95.48%	94.84%	0.72%	0.29%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	369.70	313.49	150.62	119.84	130.85	29.65%	17.93%
29.	<b>LAST RATE CASE</b>	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.



**VERIZON SOUTH INC.**  
**SELECTED FINANCIAL AND OPERATIONAL DATA**  
Merged North Carolina Intrastate Operations  
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual	
		December 2000 (b)	December 1999 (c)	December 1998 (d)	December 1997 (e)	December 1996 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$133,595	\$123,017	\$117,728	\$111,078	\$103,423	6.61%	8.60%
3.	Network Access	59,815	54,976	62,117	57,345	52,637	3.25%	8.80%
4.	Long Distance Message	4,758	5,229	6,204	9,526	15,488	-25.55%	-9.01%
5.	Miscellaneous	8,831	17,215	18,249	15,993	14,049	-17.11%	-61.48%
6.	Uncollectibles	(3,438)	(3,206)	(3,743)	(1,996)	(1,874)	18.38%	7.17%
7.	Total Operating Revenue	201,363	197,231	200,555	191,946	183,723	2.32%	2.10%
8.	Operating Expenses	111,257	93,150	100,685	90,819	86,905	6.37%	19.44%
9.	Depreciation & Amortization	76,742	72,622	69,858	62,991	60,916	5.94%	5.67%
10.	Total Operating Taxes	4,435	14,374	9,108	13,594	13,862	-24.79%	-69.15%
11.	Total Expenses, Depr. & Taxes	192,434	180,146	179,651	167,404	161,693	4.45%	6.82%
12.	Other Operating (Income) & Expense	(44)	119	60	21	62	N/A	-136.97%
13.	Operating Income	\$8,973	\$16,966	\$20,644	\$24,521	\$21,978	-20.06%	-47.11%
14.	Net Plant Investment	\$326,447	\$331,987	\$340,952	\$351,886	\$355,008	-2.07%	-1.68%
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15.	Oper. Exp. as a % of Total Revenue	55.25%	47.23%	50.20%	47.31%	47.30%	3.96%	16.99%
16.	Net Plt. Investment per \$ of Revenue	\$1.62	\$1.68	\$1.70	\$1.83	\$1.93	-4.29%	-3.68%
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17.	Local Access Lines:							
18.	Residential	252	244	231	221	210	4.66%	3.28%
19.	Business	141	141	132	121	109	6.65%	0.00%
20.	Total Local Access Lines	393	385	363	342	319	5.35%	2.08%
21.	Total Access Lines:							
22.	Residential	252	244	231	221	210	4.66%	3.28%
23.	Business	322	251	214	196	164	18.37%	28.29%
24.	Total Access Lines	574	495	445	417	374	11.30%	15.96%
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25.	Estimated Overall Rate of Return	2.66%	6.46%	6.74%	8.73%	7.80%	-23.58%	-58.82%
26.	Estimated Return on Common Equity	-1.99%	4.38%	4.50%	8.62%	7.84%	N/A	-145.64%
27.	Common Equity Ratio	52.45%	55.81%	60.56%	63.23%	62.17%	-4.16%	-6.02%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	0.26	2.23	1.81	3.56	3.46	-47.64%	-88.34%
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29.	<b>LAST RATE CASE</b>	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 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 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] Verizon South Inc., formerly known as 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 Verizon South Inc. included herein is updated annually beginning with the calendar year 1996.  
[5] On June 30, 2000, by amendment of its articles of incorporation, the name of GTE South Incorporated was changed to Verizon South Inc. as a result of the merger between GTE Corporation and Bell Atlantic Corporation, effective August 1, 2000.  
[6] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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