

Quarterly Review

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 December 31, 2002* ■

Prepared by:
North Carolina Utilities Commission
Operations Division

430 N. Salisbury Street
Raleigh, NC 27603
(919) 733-3979

Mailing Address:
4325 Mail Service Center
Raleigh, NC 27699-4325



State of North Carolina
Utilities Commission

4325 Mail Service Center
Raleigh, NC 27699-4325

COMMISSIONERS
JO ANNE SANFORD, Chair
J. RICHARD CONDER
ROBERT V. OWENS, JR.

COMMISSIONERS
SAM J. ERVIN, IV
LORINZO L. JOYNER
JAMES Y. KERR, II
MICHAEL (MIKE) S. WILKINS

July 24, 2003

TO: Jo Anne Sanford, Chair
Commissioner J. Richard Conder
Commissioner Robert V. Owens, Jr.
Commissioner Sam J. Ervin, IV
Commissioner Lorinzo L. Joyner
Commissioner James Y. Kerr, II
Commissioner Michael S. Wilkins

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

The Operations Division hereby presents for your consideration the *Quarterly Review* for the calendar quarter ending December 31, 2002. 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/dhh

Table of Contents

<i>Part</i>		<i>Page</i>
I	<i>Introduction</i>	1
II	<i>Review of Key Financial Ratios:</i>	6
	▣ <i>Summary Statement of Key Financial Ratios For 18 Selected Companies For The Twelve Months Ended December 31, 2002 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios — And Certain Rate Case Data</i>	7
	▣ <i>Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By <u>Public Utilities Reports</u>, Volume Nos. 215-224, from January 2002 Through May 2003</i>	10
III	<i>Overviews of Selected Financial and Operational Data By Utility:</i>	12
	▣ <i>Electric Companies:</i>	
	▪ <i>Carolina Power & Light Company</i>	13
	▪ <i>Dominion North Carolina Power</i>	14
	▪ <i>Duke Power, a Division of Duke Energy Corporation</i>	15
	▪ <i>Nantahala Power and Light Company</i>	16
	▣ <i>Natural Gas Local Distribution Companies:</i>	
	▪ <i>North Carolina Gas Service, Division of NUI</i>	17
	▪ <i>North Carolina Natural Gas Corporation</i>	18
	▪ <i>Piedmont Natural Gas Company, Inc.</i>	19
	▪ <i>Public Service Company of North Carolina, Inc.</i>	20
	▣ <i>Telecommunications Companies:</i>	
	▪ <i>ALLTEL Carolina, Inc.</i>	21
	▪ <i>BellSouth Telecommunications, Inc.</i>	22
	▪ <i>Carolina Telephone and Telegraph Company</i>	23
	▪ <i>Central Telephone Company</i>	24

Table of Contents — continued

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

Part I

Introduction

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

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

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

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

A Specific Objective

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

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

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

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

The Key Financial Ratios

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

The Return on Common Equity

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

The Common Equity Capitalization Ratio

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

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

review the reasonableness of the levels of earnings of the companies' common stockholders, and in consideration of the other key financial benchmarks which are also presented herein, the common equity capitalization ratio appears to be the most appropriate and meaningful measure of the financial riskiness of the companies for use in this regard.

The Pre-tax Interest Coverage Ratio

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

The Overall Rate of Return

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

The Propriety of The Methodology

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

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

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

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

A Final Note

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

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

Part II

A Review of Key Financial Ratios

- ▣ ***Summary Statement of Key Financial Ratios For 18 Selected Companies For The Twelve Months Ended December 31, 2002 — 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. 215-224 from January 2002 Through May 2003***

**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 December 31, 2002, 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 12/31/02				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	11.16%	8.72%	49.62%	4.33	12.75%	10.45%	44.00%	08/05/88
2.	Dominion North Carolina Power	17.51%	11.59%	46.73%	5.53	11.80%	9.46%	44.82%	02/26/93
3.	Duke Power, a Division of Duke Energy Corporation	13.23%	10.07%	58.40%	6.55	12.50%	10.44%	49.82%	11/12/91
4.	Nantahala Power and Light Company	7.04%	7.15%	63.86%	3.78	12.10%	10.32%	56.11%	06/18/93
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	0.99%	3.68%	49.62%	1.27	N/A	10.09%	N/A	10/27/95
7.	Piedmont Natural Gas Company, Inc.	8.80%	8.16%	53.20%	3.19	11.30%	9.70%	52.71%	10/05/00
8.	Public Service Company of North Carolina, Inc.	9.50%	8.13%	48.72%	3.15	11.40%	9.82%	51.91%	10/30/98
Telecommunications Companies									
9.	* ALLTEL Carolina, Inc.	16.82%	17.28%	75.81%	5.73	13.20%	10.33%	42.11%	11/25/86
10.	* BellSouth Telecommunications, Inc.	16.34%	11.61%	58.65%	8.96	15.00%	12.51%	54.80%	11/09/84
11.	* Carolina Telephone and Telegraph Company	21.26%	14.62%	60.39%	12.61	15.25%	11.82%	48.40%	03/30/83
12.	* Central Telephone Company	16.18%	14.46%	79.14%	13.39	15.50%	12.09%	48.30%	06/22/83
13.	Citizens Telephone Company	19.64%	16.19%	69.19%	8.99	12.70%	10.11%	44.95%	02/26/91
14.	* Concord Telephone Company	18.42%	14.46%	69.15%	14.14	15.50%	12.11%	58.59%	06/17/83
15.	LEXCOM Telephone Company	13.93%	13.72%	96.49%	108.95	16.25%	12.77%	37.22%	06/14/82
16.	* MEBTEL Communications	13.85%	13.85%	100.00%	0.00	16.50%	5.92%	16.92%	11/26/79
17.	North State Telephone Company	13.57%	13.42%	97.82%	289.99	N/A	N/A	N/A	06/13/52
18.	* Verizon South Inc.	7.39%	7.60%	44.56%	2.13	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 data for such companies included herein is updated annually beginning with the calendar year 1996. The data for Concord Telephone Company is updated annually beginning with the calendar year 1997. The data for ALLTEL Carolina, Inc. is updated annually beginning with the calendar year 1998. 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 December 31, 2002, 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 96, No. 21, May 26, 2003 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.	May 16, 2003	1.03	3.46	4.45	1.21	5.96
2.	May 19, 2003	1.03	3.45	4.46	1.21	5.96
3.	May 20, 2003	1.01	3.38	4.38	1.20	5.90
4.	May 21, 2003	1.06	3.40	4.35	1.20	5.89
5.	May 22, 2003	1.06	3.32	4.28	1.18	5.86
6.	Month of April 2003	1.13	3.93	4.89	1.23	6.44
7.	Month of March 2003	1.13	3.79	4.80	1.21	6.53

Part II

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

Line No.	Rating (a)	06/21/03 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	Apr. 2003 (e)	Mar. 2003 (f)
1.	Aaa	-	-	-	-	-
2.	Aa	6.13	7.43	6.47	6.47	6.58
3.	A	6.27	7.52	6.64	6.64	6.79

[6] According to "Moody's Credit Perspectives", Volume 96, No. 21 as of 12/10/01 the "Aaa" Utilities Index will be discontinued indefinitely.

**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 December 31, 2002, Except for Certain Telecommunications Companies - See Note [1]"

NOTES - continued

NOTES: [7] Selected financial market indicators from "Moody's Credit Perspectives", Volume 96, No. 21, May 26, 2003 follow - continued:

Part III

New offerings by public utilities - listing is all inclusive for week of May 26, 2003:

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield		Rating (f)
				Current (d)	Maturity (e)	
1.	Alabama Power Company	\$250 Million	5 Years	3.125%	3.219%	A2
2.	Duke Energy Corporation	\$700 Million	20 Years	1.750%	-	A3
3.	Wisconsin Electric Power Company	\$335 Million	30 Years	5.625%	5.630%	Aa3
4.	Wisconsin Electric Power Company	\$300 Million	10 Years	4.500%	-	Aa3
5.	New York State Electric and Gas	\$200 Million	20 Years	5.750%	5.750%	Baa2
6.	Arizona Public Service Company	\$300 Million	12 Years	4.650%	5.625%	Baa1
7.	Arizona Public Service Company	\$200 Million	30 Years	5.625%	-	Baa1
8.	South Carolina Electric & Gas Co.	\$300 Million	30 Years	5.300%	5.330%	A1
9.	American Electric Power Company	\$300 Million	12 Years	5.250%	5.275%	Baa3

**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. 215-224, from January 2002 through May 2003**

(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.	Nevada Power Company (NV)	10.10%	8.37%	03/29/02	Volume 216
2.	Montana-Dakota Utilities Company (MT)	11.80%	N/A	04/24/02	Volume 217
3.	Sierra Pacific Power Company (NV)	10.17%	8.61%	05/28/02	Volume 218
4.	Gulf Power Company (FL)	12.00%	N/A	06/10/02	Volume 218
5.	Savannah Electric and Power Company (GA)	12.00%	N/A	05/30/02	Volume 218
6.	Wisconsin Public Service Corporation (WI)	12.30%	9.71%	06/21/02	Volume 218
7.	Citizens Energy Services (VT)	5.75%	N/A	07/15/02	Volume 220
8.	Wisconsin Electric Power Company (WI)	11.00%	8.14%	09/18/02	Volume 221
9.	PacificCorp (WY)	10.75%	8.45%	03/06/03	Volume 224
Natural Gas Local Distribution Companies					
10.	Yankee Gas Services Company (CT)	11.00%	8.91%	01/30/02	Volume 215
11.	Atlanta Gas Light Company (GA)	11.00%	N/A	04/29/02	Volume 217
12.	Wisconsin Public Service Corporation (WI)	12.30%	9.71%	06/21/02	Volume 218
13.	MidAmerican Energy Company (IL)	11.20%	8.85%	09/11/02	Volume 220
14.	Washington Gas Light Company (MD)	N/A	8.75%	09/27/02	Volume 221
15.	Washington Gas Light Company (DC)	10.60%	8.83%	10/29/02	Volume 221
16.	Consumers Energy Company (MI)	11.40%	7.45%	11/07/02	Volume 221
17.	Montana-Dakota Utilities Company (ND)	11.33%	N/A	12/18/02	Volume 222
18.	People's Gas System (FL)	11.25%	8.83%	01/06/03	Volume 222
19.	Midwest Energy, Inc. (KS)	11.66%	7.63%	01/22/03	Volume 223

**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. 215-224, from January 2002 through May 2003**

(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					
20.	Aloha Utilities, Inc. (HI)	10.34%	8.52%	04/30/02	Volume 217
21.	Philadelphia Suburban Water Company (PA)	10.70%	8.77%	08/01/02	Volume 219

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.***
 - ***Public Service Company of North Carolina, Inc.***

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

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,517,739	\$2,373,937	\$2,355,555	\$2,251,898	\$2,267,540	2.65%	6.06%
2.	Operating Expenses:							
3.	Fuel	548,355	460,247	442,156	422,097	415,303	7.19%	19.14%
4.	Purchased Power	253,212	258,092	235,778	266,991	276,841	-2.21%	-1.89%
5.	Maintenance	171,593	152,237	134,182	150,470	150,001	3.42%	12.71%
6.	Other Operating Expenses	417,875	375,506	403,293	350,194	332,254	5.90%	11.28%
7.	Total Operating Expenses	1,391,035	1,246,082	1,215,409	1,189,752	1,174,399	4.32%	11.63%
8.	Depreciation & Amortization	398,441	389,099	525,528	359,706	358,022	2.71%	2.40%
9.	Total Expenses & Depreciation	1,789,476	1,635,181	1,740,937	1,549,458	1,532,421	3.95%	9.44%
10.	Total Operating Taxes	346,652	336,350	302,726	341,861	346,117	0.04%	3.06%
11.	Total Expenses, Depr. & Taxes	2,136,128	1,971,531	2,043,663	1,891,319	1,878,538	3.26%	8.35%
12.	Operating Income	<u>\$381,611</u>	<u>\$402,406</u>	<u>\$311,892</u>	<u>\$360,579</u>	<u>\$389,002</u>	<u>-0.48%</u>	<u>-5.17%</u>
13.	Net Plant Investment	<u>\$4,681,892</u>	<u>\$4,544,543</u>	<u>\$4,170,684</u>	<u>\$4,363,074</u>	<u>\$4,300,630</u>	<u>2.15%</u>	<u>3.02%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	55.25%	52.49%	51.60%	52.83%	51.79%	1.63%	5.26%
15.	Net Plt. Investment per \$ of Revenue	\$1.86	\$1.91	\$1.77	\$1.94	\$1.90	-0.53%	-2.62%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	960	938	914	888	865	2.64%	2.35%
18.	Commercial	168	165	159	155	150	2.87%	1.82%
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>1134</u>	<u>1109</u>	<u>1079</u>	<u>1049</u>	<u>1021</u>	<u>2.66%</u>	<u>2.25%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	13,150	12,368	12,098	11,445	11,298	3.87%	6.32%
24.	Commercial	10,766	10,303	9,793	9,498	9,112	4.26%	4.49%
25.	Industrial	9,896	10,109	11,021	11,193	11,503	-3.69%	-2.11%
26.	Other	4,675	2,938	4,958	5,016	5,266	-2.93%	59.12%
27.	Total Sales	<u>38,487</u>	<u>35,718</u>	<u>37,870</u>	<u>37,152</u>	<u>37,179</u>	<u>0.87%</u>	<u>7.75%</u>
<hr/>								
28.	Estimated Overall Rate of Return	8.72%	9.63%	7.80%	9.12%	9.93%	-3.20%	-9.45%
29.	Estimated Return on Common Equity	11.16%	12.63%	8.62%	11.11%	12.37%	-2.54%	-11.64%
30.	Common Equity Ratio	49.62%	48.18%	52.32%	55.72%	56.48%	-3.19%	2.99%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.33	4.19	3.79	5.14	5.45	-5.59%	3.34%
<hr/>								
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	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$234,948	\$246,327	\$231,992	\$221,057	\$220,066	1.65%	-4.62%
2.	Operating Expenses:							
3.	Fuel	36,492	37,472	34,641	31,103	26,486	8.34%	-2.62%
4.	Purchased Power	47,104	49,322	50,426	51,348	53,141	-2.97%	-4.50%
5.	Maintenance	0	0	0	14,111	12,546	N/A	N/A
6.	Other Operating Expenses	41,033	61,820	46,602	34,185	28,382	9.65%	-33.63%
7.	Total Operating Expenses	124,629	148,614	131,669	130,747	120,555	0.83%	-16.14%
8.	Depreciation & Amortization	24,858	25,988	27,593	24,887	25,928	-1.05%	-4.35%
9.	Total Expenses & Depreciation	149,487	174,602	159,262	155,634	146,483	0.51%	-14.38%
10.	Total Operating Taxes	35,726	35,291	35,072	28,456	36,413	-0.48%	1.23%
11.	Total Expenses, Depr. & Taxes	185,213	209,893	194,334	184,090	182,896	0.32%	-11.76%
12.	Operating Income	<u>\$49,735</u>	<u>\$36,434</u>	<u>\$37,658</u>	<u>\$36,967</u>	<u>\$37,170</u>	7.55%	36.51%
13.	Net Plant Investment	<u>\$420,673</u>	<u>\$430,148</u>	<u>\$400,985</u>	<u>\$405,201</u>	<u>\$424,109</u>	-0.20%	-2.20%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	53.05%	60.33%	56.76%	59.15%	54.78%	-0.80%	-12.07%
15.	Net Plt. Investment per \$ of Revenue	\$1.79	\$1.75	\$1.73	\$1.83	\$1.93	-1.86%	2.29%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	95	93	92	91	90	1.36%	2.15%
18.	Commercial	15	14	14	14	14	1.74%	7.14%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	2	2	2	2	2	0.00%	0.00%
21.	Total Number of Customers	<u>112</u>	<u>109</u>	<u>108</u>	<u>107</u>	<u>106</u>	1.39%	2.75%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,391	1,327	1,299	1,207	1,164	4.55%	4.82%
24.	Commercial	738	711	681	653	648	3.30%	3.80%
25.	Industrial	1,592	1,455	1,248	1,189	1,265	5.92%	9.42%
26.	Other	139	136	131	127	118	4.18%	2.21%
27.	Total Sales	<u>3,860</u>	<u>3,629</u>	<u>3,359</u>	<u>3,176</u>	<u>3,195</u>	4.84%	6.37%
<hr/>								
28.	Estimated Overall Rate of Return	11.59%	8.58%	9.62%	8.97%	8.65%	7.59%	35.08%
29.	Estimated Return on Common Equity	17.51%	10.92%	12.26%	11.10%	10.23%	14.38%	60.35%
30.	Common Equity Ratio	46.73%	45.04%	46.74%	47.00%	47.34%	-0.32%	3.75%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.53	4.13	4.75	3.04	4.18	7.25%	33.90%
<hr/>								
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.

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	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$3,312,828	\$3,221,436	\$3,157,812	\$3,002,370	\$2,971,507	2.76%	2.84%
2.	Operating Expenses:							
3.	Fuel	520,467	499,071	455,774	442,618	437,218	4.45%	4.29%
4.	Purchased Power	297,982	285,029	304,117	272,676	268,169	2.67%	4.54%
5.	Maintenance	370,765	312,376	286,106	272,595	288,679	6.46%	18.69%
6.	Other Operating Expenses	<u>652,896</u>	<u>703,259</u>	<u>671,780</u>	<u>627,856</u>	<u>582,089</u>	2.91%	-7.16%
7.	Total Operating Expenses	1,842,100	1,799,735	1,717,777	1,615,745	1,576,155	3.97%	2.35%
8.	Depreciation & Amortization	424,515	405,527	371,949	354,901	345,783	5.26%	4.68%
9.	Total Expenses & Depreciation	2,266,615	2,205,262	2,089,726	1,970,646	1,921,938	4.21%	2.78%
10.	Total Operating Taxes	455,820	471,658	489,702	473,368	484,375	-1.51%	-3.36%
11.	Total Expenses, Depr. & Taxes	2,722,435	2,676,920	2,579,428	2,444,014	2,406,313	3.13%	1.70%
12.	Operating Income	<u>\$590,393</u>	<u>\$544,516</u>	<u>\$578,384</u>	<u>\$558,358</u>	<u>\$565,194</u>	1.10%	8.43%
13.	Net Plant Investment	<u>\$6,823,150</u>	<u>\$6,528,367</u>	<u>\$6,322,332</u>	<u>\$6,252,750</u>	<u>\$6,130,137</u>	2.71%	4.52%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	55.61%	55.87%	54.40%	53.82%	53.04%	1.19%	-0.47%
15.	Net Plt. Investment per \$ of Revenue	\$2.06	\$2.03	\$2.00	\$2.08	\$2.06	0.00%	1.48%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	1,377	1,359	1,317	1,284	1,249	2.47%	1.32%
18.	Commercial	219	218	211	206	200	2.29%	0.46%
19.	Industrial	6	6	6	7	7	-3.78%	0.00%
20.	Other	9	8	8	8	7	6.48%	12.50%
21.	Total Number of Customers	<u>1,611</u>	<u>1,591</u>	<u>1,542</u>	<u>1,505</u>	<u>1,463</u>	2.44%	1.26%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	18,084	17,201	16,828	16,123	16,184	2.81%	5.13%
24.	Commercial	18,788	18,323	17,618	16,828	16,222	3.74%	2.54%
25.	Industrial	15,696	15,922	17,564	17,683	18,158	-3.58%	-1.42%
26.	Other	224	223	236	228	220	0.45%	0.45%
27.	Total Sales	<u>52,792</u>	<u>51,669</u>	<u>52,246</u>	<u>50,862</u>	<u>50,784</u>	0.97%	2.17%
<hr/>								
28.	Estimated Overall Rate of Return	10.07%	9.51%	10.29%	10.06%	10.51%	-1.06%	5.89%
29.	Estimated Return on Common Equity	13.23%	11.69%	12.48%	12.48%	13.34%	-0.21%	13.17%
30.	Common Equity Ratio	58.40%	60.49%	59.33%	56.76%	54.34%	1.82%	-3.46%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.55	6.21	5.77	5.48	5.28	5.54%	5.48%
<hr/>								
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 69% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.
[4] This schedule reflects certain revised data for 1998 - 2001, as provided by Duke Power.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$77,200	\$72,807	\$70,095	\$66,974	\$64,914	4.43%	6.03%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	0	0	0	0	244	N/A	N/A
4.	Purchased Power - Regular	33,200	30,628	29,301	26,339	25,928	6.38%	8.40%
5.	Maintenance	6,878	6,104	5,407	4,996	5,236	7.06%	12.68%
6.	Other Operating Expenses	7,888	10,867	8,316	8,274	7,259	2.10%	-27.41%
7.	Total Operating Expenses	47,966	47,599	43,024	39,609	38,667	5.54%	0.77%
8.	Depreciation & Amortization	7,922	7,092	6,438	6,107	5,671	8.72%	11.70%
9.	Total Expenses & Depreciation	55,888	54,691	49,462	45,716	44,338	5.96%	2.19%
10.	Total Operating Taxes	9,233	7,113	8,406	9,538	9,158	0.20%	29.80%
11.	Total Expenses, Depr. & Taxes	65,121	61,804	57,868	55,254	53,496	5.04%	5.37%
12.	Operating Income	<u>\$12,079</u>	<u>\$11,003</u>	<u>\$12,227</u>	<u>\$11,720</u>	<u>\$11,418</u>	<u>1.42%</u>	<u>9.78%</u>
13.	Net Plant Investment	<u>\$178,731</u>	<u>\$170,282</u>	<u>\$156,679</u>	<u>\$144,966</u>	<u>\$139,636</u>	<u>6.37%</u>	<u>4.96%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	62.13%	65.38%	61.38%	59.14%	59.57%	1.06%	-4.97%
15.	Net Plt. investment per \$ of Revenue	\$2.32	\$2.34	\$2.24	\$2.16	\$2.15	1.92%	-0.85%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	58	56	55	54	52	2.77%	3.57%
18.	Commercial	7	7	7	7	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	<u>65</u>	<u>63</u>	<u>62</u>	<u>61</u>	<u>58</u>	<u>2.89%</u>	<u>3.17%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	578	547	547	514	488	4.32%	5.67%
24.	Commercial	416	381	376	354	342	5.02%	9.19%
25.	Industrial	119	117	140	138	135	-3.10%	1.71%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	<u>1,115</u>	<u>1,047</u>	<u>1,065</u>	<u>1,008</u>	<u>967</u>	<u>3.62%</u>	<u>6.49%</u>
<hr/>								
28.	Estimated Overall Rate of Return	7.15%	6.92%	8.48%	8.54%	8.83%	-5.14%	3.32%
29.	Estimated Return on Common Equity	7.04%	6.68%	9.26%	9.45%	10.14%	-7.04%	5.39%
30.	Common Equity Ratio	63.86%	60.92%	58.25%	55.16%	51.70%	5.42%	4.83%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.79	3.21	3.87	3.62	3.42	2.60%	18.07%
<hr/>								
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 GAS SERVICE, DIVISION OF NUI
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	N/A	\$9,766	\$7,932	N/A	\$6,375	N/A	N/A
3.	Commercial	N/A	5,107	3,830	N/A	2,903	N/A	N/A
4.	Industrial	N/A	1,526	3,808	N/A	2,102	N/A	N/A
5.	Public Authorities	N/A	0	0	N/A	0	N/A	N/A
6.	Resale	N/A	249	2,476	N/A	1,376	N/A	N/A
7.	Other	N/A	1,850	3,881	N/A	2,251	N/A	N/A
8.	Total Operating Revenue	N/A	18,498	21,927	N/A	15,009	N/A	N/A
9.	Cost of Gas	N/A	10,912	14,108	N/A	8,133	N/A	N/A
10.	Margin	N/A	7,586	7,819	N/A	6,876	N/A	N/A
11.	O & M Expenses	N/A	3,515	3,688	N/A	4,354	N/A	N/A
12.	Other Deductions	N/A	2,578	2,744	N/A	1,614	N/A	N/A
13.	Operating Income	N/A	\$1,493	\$1,387	N/A	\$908	N/A	N/A
14.	Net Plant Investment	N/A	\$16,308	\$16,467	N/A	\$14,853	N/A	N/A
15.	Operating Exp. as a % of Margin	N/A	46.34%	47.17%	N/A	63.32%	N/A	N/A
16.	Net Plt. Investment per \$ of Margin	N/A	\$2.15	\$2.11	N/A	\$2.16	N/A	N/A
17.	Gas Delivered in DTs:							
18.	Residential	N/A	866	891	N/A	801	N/A	N/A
19.	Commercial	N/A	581	523	N/A	467	N/A	N/A
20.	Industrial	N/A	179	698	N/A	1,268	N/A	N/A
21.	Public Authorities	N/A	0	0	N/A	0	N/A	N/A
22.	Resale	N/A	0	0	N/A	0	N/A	N/A
23.	Other	N/A	1,967	1,791	N/A	1,162	N/A	N/A
24.	Total DTs	N/A	3,593	3,903	N/A	3,698	N/A	N/A
25.	Number of Customers:							
26.	Residential	N/A	12	12	N/A	12	N/A	N/A
27.	Commercial	N/A	2	2	N/A	2	N/A	N/A
28.	Industrial	N/A	0	0	N/A	0	N/A	N/A
29.	Public Authorities	N/A	0	0	N/A	0	N/A	N/A
30.	Resale	N/A	0	0	N/A	0	N/A	N/A
31.	Other	N/A	0	0	N/A	0	N/A	N/A
32.	Total Number of Customers	N/A	14	14	N/A	14	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.	LAST RATE CASE	Authorized Returns: Common Equity 11.40%, Overall 9.16%; 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	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$55,101	\$75,339	\$54,943	N/A	\$43,596	N/A	-26.86%
3.	Commercial	37,413	52,095	38,461	N/A	28,824	N/A	-28.18%
4.	Industrial	92,942	57,094	108,020	N/A	38,448	N/A	62.79%
5.	Public Authorities	1,746	2,663	1,838	N/A	1,621	N/A	-34.43%
6.	Resale	25,647	30,415	27,132	N/A	11,112	N/A	-15.68%
7.	Other	88,213	103,772	93,952	N/A	28,352	N/A	-14.99%
8.	Total Operating Revenue	301,062	321,378	324,346	N/A	151,953	N/A	-6.32%
9.	Cost of Gas	217,540	243,453	250,902	N/A	78,994	N/A	-10.64%
10.	Margin	83,522	77,925	73,444	N/A	72,959	N/A	7.18%
11.	O & M Expenses	171,507	47,428	37,161	N/A	24,479	N/A	261.62%
12.	Other Deductions	24,881	24,120	26,441	N/A	28,424	N/A	3.16%
13.	Operating Income	<u>(\$112,866)</u>	<u>\$6,377</u>	<u>\$9,842</u>	N/A	<u>\$20,056</u>	N/A	N/A
14.	Net Plant Investment	<u>\$375,852</u>	<u>\$332,006</u>	<u>\$236,920</u>	N/A	<u>\$209,027</u>	N/A	13.15%
15.	Operating Exp. as a % of Margin	205.34%	60.86%	50.60%	N/A	33.55%	N/A	237.40%
16.	Net Plt. Investment per \$ of Margin	\$4.50	\$4.26	\$3.23	N/A	\$2.86	N/A	5.63%
17.	Gas Delivered in DTs:							
18.	Residential	5,972	6,512	6,545	N/A	5,637	N/A	-8.29%
19.	Commercial	5,239	5,467	5,715	N/A	4,971	N/A	-4.17%
20.	Industrial	20,945	8,567	22,842	N/A	10,623	N/A	144.48%
21.	Public Authorities	249	246	293	N/A	278	N/A	1.22%
22.	Resale	5,741	2,090	6,365	N/A	1,835	N/A	174.69%
23.	Other	29,104	29,560	15,266	N/A	30,354	N/A	-1.54%
24.	Total DTs	<u>67,250</u>	<u>52,442</u>	<u>57,026</u>	N/A	<u>53,698</u>	N/A	28.24%
25.	Number of Customers:							
26.	Residential	105	97	96	N/A	97	N/A	8.25%
27.	Commercial	14	14	14	N/A	13	N/A	0.00%
28.	Industrial	0	0	0	N/A	0	N/A	N/A
29.	Public Authorities	4	4	4	N/A	4	N/A	0.00%
30.	Resale	57	54	44	N/A	48	N/A	5.56%
31.	Other	0	0	0	N/A	0	N/A	N/A
32.	Total Number of Customers	<u>180</u>	<u>169</u>	<u>158</u>	N/A	<u>162</u>	N/A	6.51%
33.	Estimated Overall Rate of Return	3.68%	4.88%	8.66%	N/A	10.58%	N/A	-24.59%
34.	Estimated Return on Common Equity	0.99%	2.76%	10.59%	N/A	12.36%	N/A	-64.13%
35.	Common Equity Ratio	49.62%	44.74%	48.90%	N/A	60.85%	N/A	10.91%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	1.27	1.50	3.38	N/A	4.99	N/A	-15.33%
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 NCUK GS-1 Reports.

[4] Data provided on Lines 33-36, Columns (b), (c), and (d), 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	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$236,043	\$296,388	\$241,169	\$180,715	\$182,531	6.64%	-20.36%
3.	Commercial	111,355	148,674	133,887	94,465	92,165	4.84%	-25.10%
4.	Industrial	34,045	45,559	124,953	82,478	71,280	-16.87%	-25.27%
5.	Public Authorities	430	1,794	2,809	2,644	2,917	-38.04%	-76.03%
6.	Resale	9	0	0	0	0	N/A	N/A
7.	Other	23,702	24,020	16,341	20,948	87,810	-27.92%	-1.32%
8.	Total Operating Revenue	<u>405,584</u>	<u>516,433</u>	<u>519,159</u>	<u>381,250</u>	<u>436,703</u>	<u>-1.83%</u>	<u>-21.46%</u>
9.	Cost of Gas	221,130	328,079	342,108	201,005	242,936	-2.32%	-32.60%
10.	Margin	184,454	188,354	177,051	180,245	193,767	-1.22%	-2.07%
11.	O & M Expenses	77,531	80,814	74,697	68,688	69,569	2.75%	-4.06%
12.	Other Deductions	57,055	54,681	51,878	59,729	66,999	-3.94%	4.34%
13.	Operating Income	<u>\$49,868</u>	<u>\$52,859</u>	<u>\$50,476</u>	<u>\$51,828</u>	<u>\$57,199</u>	<u>-3.37%</u>	<u>-5.66%</u>
14.	Net Plant Investment	<u>\$655,277</u>	<u>\$608,127</u>	<u>\$582,787</u>	<u>\$549,048</u>	<u>\$512,741</u>	<u>6.32%</u>	<u>7.75%</u>
15.	Operating Exp. as a % of Margin	42.03%	42.91%	42.19%	38.11%	35.90%	4.02%	-2.05%
16.	Net Plt. Investment per \$ of Margin	\$3.55	\$3.23	\$3.29	\$3.05	\$2.65	7.58%	9.91%
17.	Gas Delivered in DTs:							
18.	Residential	27,009	26,468	26,666	23,646	22,453	4.73%	2.04%
19.	Commercial	15,875	15,924	18,229	15,728	14,020	3.18%	-0.31%
20.	Industrial	5,888	5,752	23,305	21,191	19,255	-25.64%	2.36%
21.	Public Authorities	59	169	351	415	431	-39.17%	-65.09%
22.	Resale	0	0	0	0	0	N/A	N/A
23.	Other	28,780	23,457	14,002	20,834	50,867	-13.27%	22.69%
24.	Total DTs	<u>77,611</u>	<u>71,770</u>	<u>82,553</u>	<u>81,814</u>	<u>107,026</u>	<u>-7.72%</u>	<u>8.14%</u>
25.	Number of Customers:							
26.	Residential	409	382	368	350	329	5.59%	7.07%
27.	Commercial	45	43	42	40	37	5.02%	4.65%
28.	Industrial	2	2	2	2	3	-9.64%	0.00%
29.	Public Authorities	1	1	5	6	6	-36.11%	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>457</u>	<u>428</u>	<u>417</u>	<u>398</u>	<u>375</u>	<u>5.07%</u>	<u>6.78%</u>
33.	Estimated Overall Rate of Return	8.16%	8.94%	8.82%	10.57%	10.79%	-6.75%	-8.72%
34.	Estimated Return on Common Equity	8.80%	10.36%	10.01%	13.24%	13.38%	-9.95%	-15.06%
35.	Common Equity Ratio	53.20%	51.66%	50.74%	52.94%	53.38%	-0.08%	2.98%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.19	3.32	3.13	3.17	4.17	-6.48%	-3.92%
37.	LAST RATE CASE	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 45% 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	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$212,407	\$265,481	\$258,604	\$177,943	\$173,354	5.21%	-19.99%
3.	Commercial	90,748	130,883	115,534	78,439	77,638	3.98%	-30.66%
4.	Industrial	7,818	11,984	10,964	8,185	7,114	2.39%	-34.76%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	6	9	0	0	0	N/A	-33.33%
7.	Other	44,700	44,280	46,502	42,157	41,983	1.58%	0.95%
8.	Total Operating Revenue	355,679	452,637	431,604	306,724	300,089	4.34%	-21.42%
9.	Cost of Gas	189,915	286,140	252,498	141,425	144,642	7.04%	-33.63%
10.	Margin	165,764	166,497	179,106	165,299	155,447	1.62%	-0.44%
11.	O & M Expenses	69,912	68,794	66,519	69,329	64,368	2.09%	1.63%
12.	Other Deductions	54,035	64,776	73,249	56,311	54,938	-0.41%	-16.58%
13.	Operating Income	<u>\$41,817</u>	<u>\$32,927</u>	<u>\$39,338</u>	<u>\$39,659</u>	<u>\$36,141</u>	<u>3.71%</u>	<u>27.00%</u>
14.	Net Plant Investment	<u>\$567,352</u>	<u>\$527,976</u>	<u>\$487,959</u>	<u>\$508,734</u>	<u>\$488,109</u>	<u>3.83%</u>	<u>7.46%</u>
15.	Operating Exp. as a % of Margin	42.18%	41.32%	37.14%	41.94%	41.41%	0.46%	2.08%
16.	Net Plt. Investment per \$ of Margin	\$3.42	\$3.17	\$2.72	\$3.08	\$3.14	2.16%	7.89%
17.	Gas Delivered in DTs:							
18.	Residential	23,427	20,710	26,868	19,976	18,945	5.45%	13.12%
19.	Commercial	13,384	12,846	15,312	12,325	11,742	3.33%	4.19%
20.	Industrial	1,510	1,454	1,539	1,553	1,363	2.59%	3.85%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22.	Resale	1	1	0	0	0	N/A	0.00%
23.	Other	31,420	28,974	32,433	32,830	31,701	-0.22%	8.44%
24.	Total DTs	<u>69,742</u>	<u>63,985</u>	<u>76,152</u>	<u>66,684</u>	<u>63,751</u>	<u>2.27%</u>	<u>9.00%</u>
25.	Number of Customers:							
26.	Residential	347	328	325	310	294	4.23%	5.79%
27.	Commercial	36	35	44	43	42	-3.78%	2.86%
28.	Industrial	0	0	2	2	2	N/A	N/A
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	<u>383</u>	<u>363</u>	<u>371</u>	<u>355</u>	<u>338</u>	<u>3.17%</u>	<u>5.51%</u>
33.	Estimated Overall Rate of Return	8.13%	9.75%	11.07%	9.95%	8.46%	-0.99%	-16.62%
34.	Estimated Return on Common Equity	9.50%	12.36%	14.99%	11.30%	9.29%	0.56%	-23.14%
35.	Common Equity Ratio	48.72%	47.92%	47.85%	48.14%	48.57%	0.08%	1.67%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.15	3.52	4.01	1.92	2.84	2.62%	-10.51%
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 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$74,072	\$73,312	\$69,848	\$63,217	\$63,267	4.02%	1.04%
3.	Network Access	22,093	25,599	24,875	21,166	20,200	2.26%	-13.70%
4.	Long Distance Message	4,340	4,380	5,035	5,643	5,498	-5.74%	-0.91%
5.	Miscellaneous	2,201	4,262	3,994	3,636	3,577	-11.43%	-48.36%
6.	Uncollectibles	(1,566)	(932)	(511)	(564)	(580)	28.19%	68.03%
7.	Total Operating Revenue	101,140	106,621	103,241	93,098	91,962	2.41%	-5.14%
8.	Operating Expenses	39,119	43,465	47,321	46,647	42,171	-1.86%	-10.00%
9.	Depreciation & Amortization	19,424	18,153	17,499	16,157	15,276	6.19%	7.00%
10.	Total Operating Taxes	15,773	17,046	14,894	11,879	13,434	4.09%	-7.47%
11.	Total Expenses, Depr. & Taxes	74,316	78,664	79,714	74,683	70,881	1.19%	-5.53%
12.	Other Operating (Income) & Expense	0	0	0	0	0	N/A	N/A
13.	Operating Income	\$26,824	\$27,957	\$23,527	\$18,415	\$21,081	6.21%	-4.05%
14.	Net Plant Investment	\$179,706	\$165,038	\$160,844	\$153,889	\$146,651	5.21%	8.89%
15.	Oper. Exp. as a % of Total Revenue	38.68%	40.77%	45.84%	50.11%	45.86%	-4.17%	-5.13%
16.	Net Plt. Investment per \$ of Revenue	\$1.78	\$1.55	\$1.56	\$1.65	\$1.59	2.86%	14.84%
17.	Local Access Lines:							
18.	Residential	180	181	178	169	158	3.31%	-0.55%
19.	Business	56	55	55	52	49	3.39%	1.82%
20.	Total Local Access Lines	236	236	233	221	207	3.33%	0.00%
21.	Total Access Lines:							
22.	Residential	180	181	178	169	158	3.31%	-0.55%
23.	Business	56	55	55	52	49	3.39%	1.82%
24.	Total Access Lines	236	236	233	221	207	3.33%	0.00%
25.	Estimated Overall Rate of Return	17.28%	18.59%	16.35%	13.52%	16.01%	1.93%	-7.05%
26.	Estimated Return on Common Equity	16.82%	18.90%	18.00%	14.90%	20.65%	-5.00%	-11.01%
27.	Common Equity Ratio	75.81%	72.31%	67.00%	65.39%	61.69%	5.29%	4.84%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.73	5.53	5.65	4.24	7.24	-5.68%	3.62%
29.	LAST RATE CASE	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 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.
[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 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$971,764	\$1,074,258	\$1,068,769	\$1,035,846	\$955,410	0.43%	-9.54%
3.	Network Access	53,847	99,455	115,247	144,537	158,061	-23.60%	-45.86%
4.	Long Distance Message	22,273	27,061	27,714	35,137	42,476	-14.90%	-17.69%
5.	Miscellaneous	76,756	75,050	66,612	58,366	47,596	12.69%	2.27%
6.	Uncollectibles	(21,867)	(20,163)	(10,093)	(9,102)	(5,300)	36.49%	8.45%
7.	Total Operating Revenue	1,102,773	1,255,661	1,268,249	1,264,784	1,197,243	-2.03%	-12.18%
8.	Operating Expenses	460,668	527,844	448,878	457,763	463,029	-0.13%	-12.73%
9.	Depreciation & Amortization	332,883	342,955	343,992	310,910	291,352	3.39%	-2.94%
10.	Total Operating Taxes	122,665	162,140	195,095	200,530	169,120	-7.30%	-24.35%
11.	Total Expenses, Depr. & Taxes	916,216	1,032,939	987,965	969,203	920,501	-0.12%	-11.30%
12.	Other Operating (Income) & Expense	(182)	(350)	(247)	46	(530)	N/A	-48.00%
13.	Operating Income	<u>\$186,739</u>	<u>\$223,072</u>	<u>\$280,531</u>	<u>\$295,535</u>	<u>\$277,272</u>	<u>-9.41%</u>	<u>-16.29%</u>
14.	Net Plant Investment	<u>\$1,814,903</u>	<u>\$1,932,824</u>	<u>\$1,931,005</u>	<u>\$1,869,982</u>	<u>\$1,863,734</u>	<u>-0.66%</u>	<u>-6.10%</u>
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	41.77%	42.04%	35.39%	36.19%	38.67%	1.95%	-0.64%
16.	Net Plt. Investment per \$ of Revenue	\$1.65	\$1.54	\$1.52	\$1.48	\$1.56	1.41%	7.14%
<hr/>								
17.	Local Access Lines:							
18.	Residential	1,572	1,664	1,690	1,667	1,600	-0.44%	-5.53%
19.	Business	735	767	705	694	686	1.74%	-4.17%
20.	Total Local Access Lines	2,307	2,431	2,395	2,361	2,286	0.23%	-5.10%
21.	Total Access Lines:							
22.	Residential	1,626	1,673	1,690	1,667	1,600	0.40%	-2.81%
23.	Business	736	769	714	698	690	1.63%	-4.29%
24.	Total Access Lines	2,362	2,442	2,404	2,365	2,290	0.78%	-3.28%
<hr/>								
25.	Estimated Overall Rate of Return	11.61%	13.38%	18.37%	18.37%	17.19%	-9.35%	-13.23%
26.	Estimated Return on Common Equity	16.34%	19.14%	27.75%	27.75%	25.24%	-10.30%	-14.63%
27.	Common Equity Ratio	58.65%	56.16%	55.12%	55.12%	57.55%	0.47%	4.43%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	8.96	7.78	9.08	9.08	9.30	-0.93%	15.17%
<hr/>								
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 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.
[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 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$414,413	\$420,406	\$411,137	\$392,091	\$360,990	3.51%	-1.43%
3.	Network Access	75,095	99,482	110,536	86,775	89,606	-4.32%	-24.51%
4.	Long Distance Message	10,746	12,892	18,286	24,172	24,436	-18.57%	-16.65%
5.	Miscellaneous	44,118	40,937	36,815	32,335	34,582	6.28%	7.77%
6.	Uncollectibles	(10,304)	(14,266)	(5,806)	(6,665)	(5,716)	15.87%	-27.77%
7.	Total Operating Revenue	534,068	559,451	570,968	528,708	503,898	1.46%	-4.54%
8.	Operating Expenses	263,327	256,998	247,280	281,128	259,881	0.33%	2.46%
9.	Depreciation & Amortization	143,738	136,568	143,427	134,968	129,667	2.61%	5.25%
10.	Total Operating Taxes	49,681	69,301	76,060	47,966	50,037	-0.18%	-28.31%
11.	Total Expenses, Depr. & Taxes	456,746	462,867	466,767	464,062	439,585	0.96%	-1.32%
12.	Operating Income	<u>\$77,322</u>	<u>\$96,584</u>	<u>\$104,201</u>	<u>\$64,646</u>	<u>\$64,313</u>	4.71%	-19.94%
13.	Net Plant Investment	<u>\$714,752</u>	<u>\$779,735</u>	<u>\$635,956</u>	<u>\$623,474</u>	<u>\$642,707</u>	2.69%	-8.33%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	49.31%	45.94%	43.31%	53.17%	51.57%	-1.12%	7.33%
15.	Net Plt. Investment per \$ of Revenue	\$1.34	\$1.39	\$1.11	\$1.18	\$1.28	1.21%	-3.98%
<hr/>								
16.	Local Access Lines:							
17.	Residential	896	910	917	881	844	1.51%	-1.54%
18.	Business	297	303	309	297	284	1.13%	-1.98%
19.	Total Local Access Lines	<u>1,193</u>	<u>1,213</u>	<u>1,226</u>	<u>1,178</u>	<u>1,128</u>	1.41%	-1.65%
20.	Total Access Lines:							
21.	Residential	896	910	917	881	844	1.51%	-1.54%
22.	Business	298	304	310	298	285	1.12%	-1.97%
23.	Total Access Lines	<u>1,194</u>	<u>1,214</u>	<u>1,227</u>	<u>1,179</u>	<u>1,129</u>	1.41%	-1.65%
<hr/>								
24.	Estimated Overall Rate of Return	14.62%	16.53%	17.81%	12.36%	11.69%	5.75%	-11.55%
25.	Estimated Return on Common Equity	21.26%	22.72%	25.05%	15.96%	15.10%	8.93%	-6.43%
26.	Common Equity Ratio	60.39%	63.21%	61.20%	62.08%	62.09%	-0.69%	-4.46%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	12.61	11.65	11.12	7.35	7.59	13.53%	8.24%
<hr/>								
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 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] 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 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$103,228	\$106,420	\$103,822	\$98,597	\$88,288	3.99%	-3.00%
3.	Network Access	16,839	26,534	22,930	19,271	19,093	-3.09%	-36.54%
4.	Long Distance Message	5,310	6,781	7,250	8,163	7,841	-9.28%	-21.69%
5.	Miscellaneous	6,863	6,421	9,691	11,183	12,488	-13.90%	6.88%
6.	Uncollectibles	(2,619)	(2,878)	(1,721)	(1,337)	(1,773)	10.24%	-9.00%
7.	Total Operating Revenue	<u>129,621</u>	<u>143,278</u>	<u>141,972</u>	<u>135,877</u>	<u>125,937</u>	<u>0.72%</u>	<u>-9.53%</u>
8.	Operating Expenses	65,788	70,844	71,274	77,567	70,236	-1.62%	-7.14%
9.	Depreciation & Amortization	26,791	25,644	24,167	23,066	21,629	5.50%	4.47%
10.	Total Operating Taxes	14,383	17,897	17,588	13,145	14,113	0.47%	-19.63%
11.	Total Expenses, Depr. & Taxes	<u>106,962</u>	<u>114,385</u>	<u>113,029</u>	<u>113,778</u>	<u>105,978</u>	<u>0.23%</u>	<u>-6.49%</u>
12.	Operating Income	<u>\$22,659</u>	<u>\$28,893</u>	<u>\$28,943</u>	<u>\$22,099</u>	<u>\$19,959</u>	<u>3.22%</u>	<u>-21.58%</u>
13.	Net Plant Investment	<u>\$272,060</u>	<u>\$278,090</u>	<u>\$220,683</u>	<u>\$208,582</u>	<u>\$210,041</u>	<u>6.68%</u>	<u>-2.17%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	50.75%	49.45%	50.20%	57.09%	55.77%	-2.33%	2.65%
15.	Net Plt. Investment per \$ of Revenue	\$2.10	\$1.94	\$1.55	\$1.54	\$1.67	5.92%	8.14%
<hr/>								
16.	Local Access Lines:							
17.	Residential	202	207	210	204	196	0.76%	-2.42%
18.	Business	74	78	78	73	70	1.40%	-5.13%
19.	Total Local Access Lines	<u>276</u>	<u>285</u>	<u>288</u>	<u>277</u>	<u>266</u>	<u>0.93%</u>	<u>-3.16%</u>
20.	Total Access Lines:							
21.	Residential	202	207	210	204	196	0.76%	-2.42%
22.	Business	74	78	79	73	70	1.40%	-5.13%
23.	Total Access Lines	<u>276</u>	<u>285</u>	<u>289</u>	<u>277</u>	<u>266</u>	<u>0.93%</u>	<u>-3.16%</u>
<hr/>								
24.	Estimated Overall Rate of Return	14.46%	17.63%	18.19%	13.92%	12.84%	3.02%	-17.98%
25.	Estimated Return on Common Equity	16.18%	20.06%	18.23%	13.57%	12.39%	6.90%	-19.34%
26.	Common Equity Ratio	79.14%	79.05%	90.50%	89.98%	89.13%	-2.93%	0.11%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	13.39	14.49	15.61	11.96	10.79	5.55%	-7.59%
<hr/>								
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 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] 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.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$5,701	\$5,631	\$5,252	\$4,752	\$4,594	5.55%	1.24%
3.	Network Access	4,743	3,248	3,137	3,971	3,530	7.66%	46.03%
4.	Long Distance Message	1,236	1,321	1,336	1,215	1,160	1.60%	-6.43%
5.	Miscellaneous	1,070	1,066	977	921	852	5.86%	0.38%
6.	Uncollectibles	(17)	(14)	(11)	(15)	(25)	-9.19%	21.43%
7.	Total Operating Revenue	<u>12,733</u>	<u>11,252</u>	<u>10,691</u>	<u>10,844</u>	<u>10,111</u>	<u>5.93%</u>	<u>13.16%</u>
8.	Operating Expenses	4,675	4,379	4,426	4,324	3,960	4.24%	6.76%
9.	Depreciation & Amortization	2,360	2,198	3,514	1,669	2,413	-0.55%	7.37%
10.	Total Operating Taxes	1,832	1,658	888	1,838	1,220	10.70%	10.49%
11.	Total Expenses, Depr. & Taxes	<u>8,867</u>	<u>8,235</u>	<u>8,828</u>	<u>7,831</u>	<u>7,593</u>	<u>3.95%</u>	<u>7.67%</u>
12.	Operating Income	<u>\$3,866</u>	<u>\$3,017</u>	<u>\$1,863</u>	<u>\$3,013</u>	<u>\$2,518</u>	<u>11.31%</u>	<u>28.14%</u>
13.	Net Plant Investment	<u>\$24,495</u>	<u>\$23,238</u>	<u>\$21,237</u>	<u>\$19,947</u>	<u>\$18,308</u>	<u>7.55%</u>	<u>5.41%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	36.72%	38.92%	41.40%	39.87%	39.17%	-1.60%	-5.65%
15.	Net Plt. Investment per \$ of Revenue	\$1.92	\$2.07	\$1.99	\$1.84	\$1.81	1.49%	-7.25%
<hr/>								
16.	Local Access Lines:							
17.	Residential	17	17	17	16	15	3.18%	0.00%
18.	Business	4	4	4	4	4	0.00%	0.00%
19.	Total Local Access Lines	<u>21</u>	<u>21</u>	<u>21</u>	<u>20</u>	<u>19</u>	<u>2.53%</u>	<u>0.00%</u>
20.	Total Access Lines:							
21.	Residential	17	17	17	16	15	3.18%	0.00%
22.	Business	4	4	4	4	4	0.00%	0.00%
23.	Total Access Lines	<u>21</u>	<u>21</u>	<u>21</u>	<u>20</u>	<u>19</u>	<u>2.53%</u>	<u>0.00%</u>
<hr/>								
24.	Estimated Overall Rate of Return	16.19%	13.18%	8.58%	16.33%	14.08%	3.55%	22.84%
25.	Estimated Return on Common Equity	19.64%	15.63%	8.75%	21.35%	18.34%	1.73%	25.66%
26.	Common Equity Ratio	69.19%	66.41%	64.57%	61.63%	58.13%	4.45%	4.19%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	8.99	6.76	3.78	7.32	5.64	12.36%	32.99%
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 12.70%, Overall 10.11%; Equity Ratio: 44.95%; Date of Order: 2-26-91						

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

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

Line No.	Item (a)	12 Months Ended					Annual	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Growth Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$44,633	\$45,386	\$42,387	\$38,190	\$35,129	6.17%	-1.66%
3.	Network Access	6,437	6,582	6,907	6,639	5,836	2.48%	-2.20%
4.	Long Distance Message	3,973	4,565	5,020	4,739	4,937	-5.29%	-12.97%
5.	Miscellaneous	7,806	7,035	7,736	7,264	6,970	2.87%	10.96%
6.	Uncollectibles	(836)	(270)	(241)	(178)	(73)	83.96%	209.63%
7.	Total Operating Revenue	62,013	63,298	61,809	56,654	52,799	4.10%	-2.03%
8.	Operating Expenses	28,413	29,255	29,087	28,107	27,025	1.26%	-2.88%
9.	Depreciation & Amortization	17,871	16,495	15,434	11,532	11,968	10.54%	8.34%
10.	Total Operating Taxes	6,887	8,133	7,996	7,810	6,544	1.29%	-15.32%
11.	Total Expenses, Depr. & Taxes	53,171	53,883	52,517	47,449	45,537	3.95%	-1.32%
12.	Operating Income	\$8,842	\$9,415	\$9,292	\$9,205	\$7,262	5.04%	-6.09%
13.	Net Plant Investment	\$69,878	\$73,965	\$73,143	\$64,987	\$60,644	3.61%	-5.53%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	45.82%	46.22%	47.06%	49.61%	51.18%	-2.73%	-0.87%
15.	Net Plt. Investment per \$ of Revenue	\$1.13	\$1.17	\$1.18	\$1.15	\$1.15	-0.44%	-3.42%
<hr/>								
16.	Local Access Lines:							
17.	Residential	89	91	91	88	84	1.46%	-2.20%
18.	Business	26	26	27	25	24	2.02%	0.00%
19.	Total Local Access Lines	115	117	118	113	108	1.58%	-1.71%
20.	Total Access Lines:							
21.	Residential	89	91	91	88	84	1.46%	-2.20%
22.	Business	26	26	27	25	24	2.02%	0.00%
23.	Total Access Lines	115	117	118	113	108	1.58%	-1.71%
<hr/>								
24.	Estimated Overall Rate of Return	14.46%	14.53%	15.98%	18.12%	15.82%	-2.22%	-0.48%
25.	Estimated Return on Common Equity	18.42%	14.47%	19.24%	21.76%	18.21%	0.29%	27.30%
26.	Common Equity Ratio	69.15%	66.38%	71.44%	75.41%	78.06%	-2.98%	4.17%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	14.14	5.01	11.88	17.89	16.77	-4.17%	182.24%
<hr/>								
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 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.

[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	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$13,717	\$13,434	\$12,882	\$11,801	\$10,795	6.17%	2.11%
3.	Network Access	4,833	3,956	3,125	3,009	2,995	12.71%	22.17%
4.	Long Distance Message	331	330	383	417	448	-7.29%	0.30%
5.	Miscellaneous	2,520	3,043	4,108	3,316	3,289	-6.44%	-17.19%
6.	Uncollectibles	(260)	(272)	(134)	(177)	(148)	15.13%	-4.41%
7.	Total Operating Revenue	<u>21,141</u>	<u>20,491</u>	<u>20,364</u>	<u>18,366</u>	<u>17,379</u>	<u>5.02%</u>	<u>3.17%</u>
8.	Operating Expenses	7,865	7,734	7,843	8,307	9,207	-3.86%	1.69%
9.	Depreciation & Amortization	3,432	3,599	3,344	3,008	2,652	6.66%	-4.64%
10.	Total Operating Taxes	5,537	5,478	5,071	4,472	3,968	8.69%	1.08%
11.	Total Expenses, Depr. & Taxes	<u>16,834</u>	<u>16,811</u>	<u>16,258</u>	<u>15,787</u>	<u>15,827</u>	<u>1.55%</u>	<u>0.14%</u>
12.	Operating Income	<u>\$4,307</u>	<u>\$3,680</u>	<u>\$4,106</u>	<u>\$2,579</u>	<u>\$1,552</u>	<u>29.07%</u>	<u>17.04%</u>
13.	Net Plant Investment	<u>\$37,932</u>	<u>\$38,784</u>	<u>\$37,970</u>	<u>\$36,312</u>	<u>\$34,816</u>	<u>2.17%</u>	<u>-2.20%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	37.20%	37.74%	38.51%	45.23%	52.98%	-8.46%	-1.43%
15.	Net Plt. Investment per \$ of Revenue	\$1.79	\$1.89	\$1.86	\$1.98	\$2.00	-2.74%	-5.29%
<hr/>								
16.	Local Access Lines:							
17.	Residential	24	24	25	25	24	0.00%	0.00%
18.	Business	9	9	10	10	10	-2.60%	0.00%
19.	Total Local Access Lines	<u>33</u>	<u>33</u>	<u>35</u>	<u>35</u>	<u>34</u>	<u>-0.74%</u>	<u>0.00%</u>
20.	Total Access Lines:							
21.	Residential	24	24	25	25	24	0.00%	0.00%
22.	Business	9	9	10	10	10	-2.60%	0.00%
23.	Total Access Lines	<u>33</u>	<u>33</u>	<u>35</u>	<u>35</u>	<u>34</u>	<u>-0.74%</u>	<u>0.00%</u>
<hr/>								
24.	Estimated Overall Rate of Return	13.72%	11.56%	13.26%	9.08%	6.29%	21.53%	18.69%
25.	Estimated Return on Common Equity	13.93%	11.73%	13.60%	9.19%	6.14%	22.73%	18.76%
26.	Common Equity Ratio	96.49%	95.46%	94.00%	92.00%	89.08%	2.02%	1.08%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	108.95	73.12	57.15	38.43	27.20	41.47%	49.00%
<hr/>								
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	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$3,523	\$3,625	\$3,288	\$2,754	\$2,313	11.09%	-2.81%
3.	Network Access	3,919	4,105	4,105	3,717	3,106	5.98%	-4.53%
4.	Long Distance Message	358	365	454	739	819	-18.69%	-1.92%
5.	Miscellaneous	673	785	801	866	430	11.85%	-14.27%
6.	Uncollectibles	(31)	(60)	(38)	29	23	N/A	-48.33%
7.	Total Operating Revenue	<u>8,442</u>	<u>8,820</u>	<u>8,610</u>	<u>8,105</u>	<u>6,691</u>	<u>5.98%</u>	<u>-4.29%</u>
8.	Operating Expenses	4,665	4,240	4,694	4,970	4,943	-1.44%	10.02%
9.	Depreciation & Amortization	1,201	1,003	839	800	708	14.12%	19.74%
10.	Total Operating Taxes	1,096	1,479	1,074	802	303	37.91%	-25.90%
11.	Total Expenses, Depr. & Taxes	6,962	6,722	6,607	6,572	5,954	3.99%	3.57%
12.	Operating Income	<u>\$1,480</u>	<u>\$2,098</u>	<u>\$2,003</u>	<u>\$1,533</u>	<u>\$737</u>	<u>19.04%</u>	<u>-29.46%</u>
13.	Net Plant Investment	<u>\$10,895</u>	<u>\$10,808</u>	<u>\$8,554</u>	<u>\$8,631</u>	<u>\$7,684</u>	<u>9.12%</u>	<u>0.80%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	55.26%	48.07%	54.52%	61.32%	73.88%	-7.00%	14.96%
15.	Net Plt. Investment per \$ of Revenue	\$1.29	\$1.23	\$0.99	\$1.06	\$1.15	2.91%	4.88%
<hr/>								
16.	Local Access Lines:							
17.	Residential	9	9	9	9	8	2.99%	0.00%
18.	Business	3	3	3	3	2	10.67%	0.00%
19.	Total Local Access Lines	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>10</u>	<u>4.66%</u>	<u>0.00%</u>
20.	Total Access Lines:							
21.	Residential	9	9	9	9	8	2.99%	0.00%
22.	Business	3	3	3	3	2	10.67%	0.00%
23.	Total Access Lines	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>10</u>	<u>4.66%</u>	<u>0.00%</u>
<hr/>								
24.	Estimated Overall Rate of Return	13.85%	18.58%	19.04%	17.95%	10.06%	8.32%	-25.46%
25.	Estimated Return on Common Equity	13.85%	18.58%	22.37%	55.31%	12.74%	2.11%	-25.46%
26.	Common Equity Ratio	100.00%	100.00%	60.77%	23.07%	25.06%	41.34%	0.00%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	0.00	0.00	5.01	4.98	1.75	N/A	N/A
<hr/>								
28.	LAST RATE CASE	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] MEBTEL Communications was acquired by Madison River Communications, Inc. in January 1998.
[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	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$34,637	\$36,436	\$35,238	\$32,620	\$28,996	4.54%	-4.94%
3.	Network Access	34,606	34,155	32,044	30,455	28,971	4.54%	1.32%
4.	Long Distance Message	2,053	2,099	2,046	1,933	2,170	-1.38%	-2.19%
5.	Miscellaneous	6,966	7,686	8,459	7,766	7,484	-1.78%	-9.37%
6.	Uncollectibles	(654)	(1,335)	(909)	(669)	(663)	-0.34%	-51.01%
7.	Total Operating Revenue	<u>77,608</u>	<u>79,041</u>	<u>76,878</u>	<u>72,105</u>	<u>66,958</u>	<u>3.76%</u>	<u>-1.81%</u>
8.	Operating Expenses	35,529	33,873	30,953	30,060	30,439	3.94%	4.89%
9.	Depreciation & Amortization	18,412	16,841	15,259	13,443	14,172	6.76%	9.33%
10.	Total Operating Taxes	9,786	12,026	13,298	12,246	9,713	0.19%	-18.63%
11.	Total Expenses, Depr. & Taxes	63,727	62,740	59,510	55,749	54,324	4.07%	1.57%
12.	Other Operating (Income) & Expense	(848)	(207)	(147)	(142)	(170)	49.45%	309.66%
13.	Operating Income	<u>\$14,729</u>	<u>\$16,508</u>	<u>\$17,515</u>	<u>\$16,498</u>	<u>\$12,804</u>	<u>3.56%</u>	<u>-10.78%</u>
14.	Net Plant Investment	<u>\$116.191</u>	<u>\$114.833</u>	<u>\$105.645</u>	<u>\$94.708</u>	<u>\$87.097</u>	<u>7.47%</u>	<u>1.18%</u>
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	45.78%	42.85%	40.26%	41.69%	45.46%	0.18%	6.83%
16.	Net Plt. Investment per \$ of Revenue	\$1.50	\$1.45	\$1.37	\$1.31	\$1.30	3.58%	3.05%
<hr/>								
17.	Local Access Lines:							
18.	Residential	84	86	88	86	83	0.30%	-2.33%
19.	Business	48	48	47	44	41	4.02%	0.00%
20.	Total Local Access Lines	<u>132</u>	<u>134</u>	<u>135</u>	<u>130</u>	<u>124</u>	<u>1.58%</u>	<u>-1.49%</u>
21.	Total Access Lines:							
22.	Residential	84	86	88	86	83	0.30%	-2.33%
23.	Business	48	48	48	44	41	4.02%	0.00%
24.	Total Access Lines	<u>132</u>	<u>134</u>	<u>136</u>	<u>130</u>	<u>124</u>	<u>1.58%</u>	<u>-1.49%</u>
<hr/>								
25.	Estimated Overall Rate of Return	13.42%	15.59%	18.30%	18.76%	15.78%	-3.97%	-13.92%
26.	Estimated Return on Common Equity	13.57%	15.83%	18.60%	19.20%	16.24%	-4.39%	-14.28%
27.	Common Equity Ratio	97.82%	97.60%	97.58%	96.37%	95.60%	0.58%	0.23%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	289.99	335.55	396.03	175.77	127.22	22.87%	-13.58%
<hr/>								
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.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$126,401	\$131,605	\$133,595	\$123,017	\$117,728	1.79%	-3.95%
3.	Network Access	48,889	54,555	59,815	54,976	62,117	-5.81%	-10.39%
4.	Long Distance Message	3,336	4,710	4,758	5,229	6,204	-14.37%	-29.17%
5.	Miscellaneous	12,118	11,210	6,631	17,215	18,249	-9.73%	8.10%
6.	Uncollectibles	(7,416)	(4,041)	(3,436)	(3,206)	(3,743)	18.64%	83.52%
7.	Total Operating Revenue	<u>183,328</u>	<u>198,039</u>	<u>201,363</u>	<u>197,231</u>	<u>200,555</u>	-2.22%	-7.43%
8.	Operating Expenses	98,428	99,913	111,257	93,150	100,685	-0.57%	-1.49%
9.	Depreciation & Amortization	53,259	54,413	76,742	72,622	69,858	-6.56%	-2.12%
10.	Total Operating Taxes	10,156	15,578	4,435	14,374	9,108	2.76%	-34.81%
11.	Total Expenses, Depr. & Taxes	<u>161,843</u>	<u>169,904</u>	<u>192,434</u>	<u>180,146</u>	<u>179,651</u>	-2.58%	-4.74%
12.	Other Operating (Income) & Expense	(5)	(538)	(44)	119	60	N/A	-99.07%
13.	Operating Income	<u>\$21,490</u>	<u>\$28,673</u>	<u>\$8,973</u>	<u>\$16,966</u>	<u>\$20,844</u>	<u>0.77%</u>	<u>-25.05%</u>
14.	Net Plant Investment	<u>\$326,152</u>	<u>\$433,500</u>	<u>\$326,447</u>	<u>\$331,967</u>	<u>\$340,952</u>	-1.10%	-24.76%
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	53.69%	50.45%	55.25%	47.23%	50.20%	1.69%	6.42%
16.	Net Plt. Investment per \$ of Revenue	\$1.78	\$2.19	\$1.62	\$1.68	\$1.70	1.14%	-18.73%
<hr/>								
17.	Local Access Lines:							
18.	Residential	251	253	252	244	231	2.10%	-0.79%
19.	Business	128	124	141	141	132	-0.77%	3.23%
20.	Total Local Access Lines	<u>379</u>	<u>377</u>	<u>393</u>	<u>385</u>	<u>363</u>	<u>1.08%</u>	<u>0.53%</u>
21.	Total Access Lines:							
22.	Residential	251	253	252	244	231	2.10%	-0.79%
23.	Business	333	312	322	251	214	11.69%	6.73%
24.	Total Access Lines	<u>584</u>	<u>565</u>	<u>574</u>	<u>495</u>	<u>445</u>	<u>7.03%</u>	<u>3.36%</u>
<hr/>								
25.	Estimated Overall Rate of Return	7.60%	10.02%	2.66%	6.46%	6.74%	3.05%	-24.15%
26.	Estimated Return on Common Equity	7.39%	13.54%	-1.99%	4.36%	4.50%	13.20%	-45.42%
27.	Common Equity Ratio	44.56%	50.21%	52.45%	55.81%	60.56%	-7.38%	-11.25%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.13	4.23	0.26	2.23	1.81	4.15%	-49.65%
<hr/>								
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 67% of total North Carolina revenue, i.e., intrastate and interstate revenue.

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

[3] 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.

[4] 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.

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

Quarterly Review Distribution ListChief Clerk

Geneva Thigpen (1 copy)

Commission StaffBob Bennink (6 copies)
Don Hoover (11 copies)
Debbie Holder (3 copies)Public StaffRobert Gruber,
Executive Director (1 copy)
Nat Carpenter (1 copy)
Bill Carter (9 copies)
Jeff Davis (1 copy)
Tom Farmer (3 copies)
Andy Lee (1 copy)
Carol Stahl (1 copy)
Ben Turner (1 copy)
Antoinette Wike (2 copies)Attorney General's Office

Margaret Force

OthersLen S. Anthony
Carolina Power & Light Company
P. O. Box 1551
Raleigh, North Carolina 27602Tom K. Austin
North Carolina Electric
Membership Corporation
P. O. Box 27306
Raleigh, North Carolina 27611Johnny Bailey
North Carolina Department of Revenue
Ad Valorem Tax Division
501 N. Wilmington Street
Raleigh, North Carolina 27640Bruce Barkley
Carolina Power & Light Company
P. O. Box 1551
Raleigh, North Carolina 27602Linda Cheatham
BellSouth
128 W. Hargett Street
Raleigh, North Carolina 27601Joe W. Foster
Verizon South Inc.
4100 N. Roxboro Road
Durham, North Carolina 27704Mr. Bob Fountain, Director
Regulatory Accounting & Administration
SCANA Corporation
Columbia, South Carolina 29218Lisa Fowler, Assistant Controller
Duke Power PB 2MC
422 South Church Street
Charlotte, North Carolina 28202-1904Barry L. Guy, V.P. & Controller
Piedmont Natural Gas Company
P. O. Box 33068
Charlotte, North Carolina 28233Donald F. Harrow
Piedmont Natural Gas Company
P. O. Box 33068
Charlotte, North Carolina 28233Don Hathcock
BellSouth
P. O. Box 30188
Charlotte, North Carolina 28230Fredrick W. Hering
North Carolina Natural Gas Corporation
P. O. Box 1551 - CPB 18
Raleigh, North Carolina 27602John Hogshire
MEBTEL Communications
P. O. Box 9
Mebane, North Carolina 27302William McAulay
Public Service Company
1312 Annapolis Dr., Ste. 200
Raleigh, North Carolina 27608Ralph McDonald
Bailey & Dixon, LLP
P. O. Box 1351
Raleigh, North Carolina 27602-1351Darell Mennenga
ALLTEL Telephone Corporation
One Allied Drive
Little Rock, Arkansas 72202Sharon Miller
CUCA
5811 Glenwood Avenue #204
Raleigh, North Carolina 27612-6260Steve Parrott
Carolina Telephone
14111 Capital Boulevard
Wake Forest, North Carolina 27587Richard Reese, President
LEXCOM Telephone Company
P. O. Box 808
Lexington, North Carolina 27293-0808C. A. Stadelmeier
Dominion North Carolina Power
P. O. Box 26666
Richmond, Virginia 23261Ken Stonebraker
Nantahala Power & Light Company
P. O. Box 260
Franklin, North Carolina 28734Samuel M. Taylor
Womble, Carlyle, Sandridge
& Rice, P.L.L.C.
2100 First Union Capitol Center
150 Fayetteville Street Mall
P. O. Box 831
Raleigh, North Carolina 27602Royster M. Tucker, Jr.
North State Communications
P. O. Box 2326
High Point, North Carolina 27261Jerry Weikle
Concord Telephone Company
P. O. Box 227
Concord, North Carolina 28026-0227Bob Wells
North Carolina Telephone Alliance
3737 Glenwood Avenue
Suite 100
Raleigh, North Carolina 27612James P. West, Esquire
West Law Offices, P.C.
Suite 1735
Two Hannover Square
434 Fayetteville Street Mall
P. O. Box 1568
Raleigh, North Carolina 27602Veronica Williams, Manager
Regulatory Accounting
Duke Power PB 02-L
422 South Church Street
Charlotte, North Carolina 28202-1904