



State of North Carolina  
Utilities Commission

PO Box 29510  
Raleigh, NC 27628-0510

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July 27, 2000

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

FROM: Donald R. Hoover *DRH*  
Operations Director

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Attached for your information is a copy of the *Quarterly Review* for the calendar quarter ending March 31, 2000. Such report, which has been prepared by the Operations Division, presents an overview of selected financial and operational information and data for 18 major investor-owned public utilities regulated by the Commission.

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

Thank you for your consideration.

DRH/mh

Attachment

# *Quarterly Review*

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## *Selected Financial and Operational Data:*

*Re:*

### *Electric Companies*

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

### *Natural Gas Local Distribution Companies*

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

### *Telecommunications Companies*

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

■ *Quarter Ending March 31, 2000* ■

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

### *A Final Note*

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

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

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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 March 31, 2000 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios — And Certain Rate Case Data***
  
- ▣ ***Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By Public Utilities Reports, Volume Nos. 182-200, from March 1998 Through June 2000***

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

"Estimated Returns on Common Equity, Overall Rates of Return,  
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios are for  
Twelve Months Ended March 31, 2000, 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 3/31/00				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	10.88%	8.85%	55.45%	5.02	12.75%	10.45%	44.00%	08/05/88
2.	Duke Power, a Division of Duke Energy Corporation	12.15%	9.99%	58.88%	5.82	12.50%	10.44%	49.82%	11/12/91
3.	Nantahala Power and Light Company	9.23%	8.43%	55.96%	3.64	12.10%	10.32%	56.11%	06/18/93
4.	North Carolina Power	10.76%	8.85%	48.18%	3.92	11.80%	9.48%	44.82%	02/26/93
<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	12.83%	9.66%	52.20%	4.49	N/A	10.09%	N/A	10/27/95
7.	Piedmont Natural Gas Company, Inc.	12.33%	10.11%	52.92%	3.91	N/A	N/A	N/A	10/23/96
8.	Public Service Company of North Carolina, Inc.	15.12%	11.13%	48.18%	4.11	11.40%	9.82%	51.91%	10/30/98
<b>Telecommunications Companies</b>									
9.	* ALLTEL Carolina, Inc.	14.90%	13.52%	65.39%	4.24	13.20%	10.33%	42.11%	11/25/86
10.	* BellSouth Telecommunications, Inc.	27.75%	18.37%	55.12%	9.08	15.00%	12.51%	54.80%	11/09/84
11.	* Carolina Telephone and Telegraph Company	15.96%	12.36%	62.08%	7.35	15.25%	11.82%	48.40%	03/30/83
12.	* Central Telephone Company	N/A	N/A	N/A	N/A	15.50%	12.09%	48.30%	06/22/83
13.	Citizens Telephone Company	20.26%	15.76%	62.43%	7.25	12.70%	10.11%	44.95%	02/26/91
14.	* Concord Telephone Company	21.76%	18.12%	75.41%	17.89	15.50%	12.11%	58.59%	06/17/83
15.	* GTE South Incorporated	4.36%	6.46%	55.81%	2.23	13.90%	11.82%	50.00%	09/16/86
16.	Lexcom Telephone, Inc.	9.42%	9.30%	92.58%	41.53	16.25%	12.77%	37.22%	06/14/82
17.	* MEBTEL Communications	55.31%	17.95%	23.07%	4.98	16.50%	5.92%	16.92%	11/26/79
18.	North State Telephone Company	19.12%	18.71%	98.73%	211.78	N/A	N/A	N/A	06/13/52

**NOTES:**

- \* [1] Companies electing price regulation are denoted above with an asterisk. For those companies, with the exception of Concord Telephone Company, 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 will be 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. will be 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 will be 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 March 31, 2000, 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 93, No. 26, June 26, 2000 follow:

**Part I**

Line No.	Data (a)	U.S. Treasury Securities			Dealer-Placed	Moody's
		3-Month Bill % (b)	10-Year Note % (c)	30-Year Bond % (d)	3-Month CP % (e)	Long-Term Corporate Bond Yield % (f)
1.	June 22, 2000	5.67	6.12	5.98	6.57	8.10
2.	Month of May 2000	5.79	6.43	6.15	6.57	8.41
3.	Month of April 2000	5.66	5.98	5.76	6.15	7.98
4.	Past 12 Months:					
5.	Average	5.13	6.14	6.14	5.75	7.89
6.	Low	4.43	5.63	5.04	4.91	7.57
7.	High	6.02	6.78	6.75	6.83	8.41

**Part II**

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

Line No.	Rating (a)	06/22/00 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	May 2000 (e)	April 2000 (f)
1.	Aaa	8.10	8.22	7.34	8.22	7.87
2.	Aa	8.17	8.44	7.62	8.44	8.00
3.	A	8.39	8.70	7.71	8.70	8.29

**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 March 31, 2000, Except for Certain Telecommunications Companies - See Note [1]"

**NOTES - continued**

**NOTES:** [5] Selected financial market indicators from "Moody's Credit Perspectives", Volume 93, No. 26, June 26, 2000 follow - continued:

**Part III**

**New offerings by public utilities - listing is all inclusive for week of June 26, 2000:**

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield		Rating (f)
				Current (d)	Maturity (e)	
1.	Nevada Power Company	\$150 Million	1 Year	Floating *	--	Baa2
2.	Sierra Pacific Power Company	\$200 Million	1 Year	Floating *	--	Baa1
3.	South Carolina Electric & Gas	\$150 Million	5 Years	7.50%	7.604%	A1
4.	New England Telephone /Telegraph	\$125 Million	7 Years	7.65%	7.690%	Aa2

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

**Statement of Authorized Returns  
On Common Equity and Overall Rates of Return  
Granted By Various Public Utility Regulatory Agencies As Reported In  
Public Utilities Reports, Volume Nos. 182-200, from March 1998 through June 2000**

(Statement is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns		Date Of Order (d)	Volume No. Public Utilities Reports (e)
		Common Equity (b)	Overall (c)		
<b>Electric Companies</b>					
1.	Madison Gas and Electric Company (WI)	12.20%	9.20%	01/14/99	Volume 190
2.	Wisconsin Public Service Corporation (WI)	12.10%	10.79%	01/15/99	Volume 191
3.	Connecticut Light and Power Company (CT)	10.30%	8.12%	02/05/99	Volume 191
4.	West Plains Energy Kansas (KS)	10.55%	N/A	01/19/00	Volume 198
5.	Cheyenne Light, Fuel & Power Company (WY)	12.00%	8.29%	02/28/00	Volume 199
<b>Natural Gas Local Distribution Companies</b>					
6.	Missouri Gas Energy (MO)	10.93%	N/A	09/02/98	Volume 188
7.	Northern States Power Company (WI)	11.90%	N/A	09/17/98	Volume 188
8.	Public Service Company of N. C., Inc. (NC)	11.40%	9.82%	10/30/98	Volume 189
9.	Madison Gas and Electric Company (WI)	12.20%	10.45%	01/14/99	Volume 190
10.	Wisconsin Public Service Corporation (WI)	12.10%	10.82%	01/15/99	Volume 191
11.	Northwest Natural Gas Co. (OR)	10.25%	8.90%	11/12/99	Volume 197
12.	Delta Natural Gas Company, Inc. (KY)	11.60%	N/A	12/27/99	Volume 198
13.	Southern Connecticut Gas Company (CT)	10.71%	N/A	01/28/00	Volume 198
<b>Telecommunications Companies</b>					
14.	Vermont Telephone Company, Inc. (VT)	11.90%	10.18%	11/10/97	Volume 182
15.	U S West Communications, Inc. (UT)	11.50%	9.76%	12/04/97	Volume 183

**Statement of Authorized Returns  
On Common Equity and Overall Rates of Return  
Granted By Various Public Utility Regulatory Agencies As Reported In  
Public Utilities Reports, Volume Nos. 182-200, from March 1998 through June 2000**

(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns		Date Of Order (d)	Volume No. Public Utilities Reports (e)
		Common Equity (b)	Overall (c)		
<b>Water Companies</b>					
16.	New Jersey-American Water Company (NJ)	10.80%	N/A	04/06/99	Volume 193
17.	Pennsgrove Water Supply Company (NJ)	10.80%	9.79%	06/30/99	Volume 194
18.	Unionville Water Co. (CT)	12.35%	N/A	08/25/99	Volume 196
19.	Central Water Company, Inc. (NH)	8.49%	9.17%	10/25/99	Volume 198
20.	Long Neck Water Company (DE)	10.00%	N/A	01/19/00	Volume 198
21.	Connecticut-American Water Company (CT)	10.65%	9.31%	03/23/00	Volume 200

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

## ***Part III***

### ***Overviews of Selected Financial and Operational Data By Utility:***

- ▣ ***Electric Companies***
  - ***Carolina Power & Light Company***
  - ***Duke Power, a Division of Duke Energy Corporation***
  - ***Nantahala Power and Light Company***
  - ***North Carolina Power***
  
- ▣ ***Natural Gas Local Distribution Companies***
  - ***North Carolina Gas Service, Division of NUI***
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  - ***Lexcom Telephone, Inc.***
  - ***MEBTEL Communications***
  - ***North State Telephone Company***

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2000 (b)	March 1999 (c)	March 1998 (d)	March 1997 (e)	March 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,281,038	\$2,260,245	\$2,187,828	\$2,068,451	\$2,118,909	1.86%	0.92%
2.	Operating Expenses:							
3.	Fuel	427,115	412,443	392,806	340,035	349,915	5.11%	3.56%
4.	Purchased Power	258,059	276,755	278,729	254,214	276,596	-1.91%	-7.48%
5.	Maintenance	168,585	145,498	129,204	151,785	141,694	4.13%	14.48%
6.	Other Operating Expenses	<u>369,950</u>	<u>328,122</u>	<u>346,751</u>	<u>374,869</u>	<u>389,157</u>	-1.26%	12.75%
7.	Total Operating Expenses	1,219,889	1,162,816	1,147,490	1,120,903	1,157,362	1.32%	4.89%
8.	Depreciation & Amortization	<u>370,978</u>	<u>356,373</u>	<u>364,597</u>	<u>313,533</u>	<u>278,461</u>	7.43%	4.10%
9.	Total Expenses & Depreciation	1,590,865	1,519,189	1,512,087	1,434,436	1,435,823	2.59%	4.70%
10.	Total Operating Taxes	<u>335,191</u>	<u>348,619</u>	<u>303,858</u>	<u>298,274</u>	<u>310,165</u>	1.96%	-3.85%
11.	Total Expenses, Depr. & Taxes	<u>1,925,856</u>	<u>1,867,808</u>	<u>1,815,945</u>	<u>1,730,710</u>	<u>1,745,988</u>	2.48%	3.11%
12.	Operating Income	<u>\$355,182</u>	<u>\$392,437</u>	<u>\$371,883</u>	<u>\$337,741</u>	<u>\$372,921</u>	-1.21%	-9.49%
13.	Net Plant Investment	<u>\$4,316,754</u>	<u>\$4,293,939</u>	<u>\$4,330,307</u>	<u>\$4,366,075</u>	<u>\$4,211,881</u>	0.82%	0.53%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	53.47%	51.45%	52.45%	54.19%	54.82%	-0.53%	3.93%
15.	Net Plt. Investment per \$ of Revenue	\$1.89	\$1.90	\$1.98	\$2.11	\$1.99	-1.28%	-0.53%
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16.	Number of Customers Served:							
17.	Residential	893	870	848	822	799	2.82%	2.64%
18.	Commercial	156	152	146	141	137	3.30%	2.63%
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>1055</u>	<u>1028</u>	<u>998</u>	<u>969</u>	<u>942</u>	2.87%	2.63%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	11,884	11,403	10,716	10,403	10,591	2.49%	2.46%
24.	Commercial	9,533	9,202	8,568	8,197	7,974	4.57%	3.60%
25.	Industrial	11,153	11,405	11,570	11,317	10,984	0.43%	-2.21%
26.	Other	<u>5,207</u>	<u>4,662</u>	<u>5,950</u>	<u>4,013</u>	<u>4,402</u>	4.29%	11.69%
27.	Total Sales	<u>37,577</u>	<u>36,672</u>	<u>36,804</u>	<u>33,930</u>	<u>33,931</u>	2.58%	2.47%
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28.	Estimated Overall Rate of Return	8.95%	10.03%	9.65%	8.93%	10.13%	-3.05%	-10.77%
29.	Estimated Return on Common Equity	10.89%	12.55%	12.15%	10.73%	13.15%	-4.61%	-13.23%
30.	Common Equity Ratio	55.45%	56.91%	55.01%	53.59%	49.52%	2.87%	-2.57%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.02	5.80	4.98	4.59	4.38	3.47%	-10.36%
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32.	<b>LAST RATE CASE</b>	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.

**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	
		March 2000 (b)	March 1999 (c)	March 1998 (d)	March 1997 (e)	March 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$3,052,173	\$2,990,417	\$2,848,394	\$2,867,228	\$2,831,555	1.89%	2.07%
2.	Operating Expenses:							
3.	Fuel	450,177	447,549	433,812	480,158	488,855	-1.00%	0.59%
4.	Purchased Power	289,820	288,191	260,064	282,500	284,617	-1.33%	0.61%
5.	Maintenance	290,230	285,214	263,654	308,787	298,314	-1.39%	-1.75%
6.	Other Operating Expenses	<u>872,334</u>	<u>810,872</u>	<u>593,718</u>	<u>539,579</u>	<u>545,244</u>	<u>5.38%</u>	<u>10.10%</u>
7.	Total Operating Expenses	1,872,581	1,811,828	1,551,279	1,811,024	1,594,830	1.20%	3.78%
8.	Depreciation & Amortization	<u>381,483</u>	<u>348,819</u>	<u>332,485</u>	<u>323,688</u>	<u>302,428</u>	<u>4.58%</u>	<u>4.23%</u>
9.	Total Expenses & Depreciation	2,034,044	1,958,445	1,883,744	1,934,710	1,897,258	1.76%	3.86%
10.	Total Operating Taxes	<u>488,013</u>	<u>489,208</u>	<u>445,501</u>	<u>426,080</u>	<u>428,552</u>	<u>2.12%</u>	<u>-4.74%</u>
11.	Total Expenses, Depr. & Taxes	2,500,057	2,447,651	2,329,245	2,360,790	2,325,808	1.82%	2.14%
12.	Operating Income	<u>\$552,118</u>	<u>\$542,768</u>	<u>\$519,149</u>	<u>\$508,438</u>	<u>\$505,747</u>	<u>2.22%</u>	<u>1.72%</u>
13.	Net Plant Investment	<u>\$8,230,088</u>	<u>\$8,051,224</u>	<u>\$8,040,112</u>	<u>\$8,014,688</u>	<u>\$5,922,928</u>	<u>1.27%</u>	<u>2.86%</u>
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14.	Oper. Exp. as a % of Total Revenue	54.80%	53.89%	54.46%	58.18%	58.32%	-0.68%	1.69%
15.	Net Plt. Investment per \$ of Revenue	\$2.04	\$2.02	\$2.12	\$2.10	\$2.09	-0.60%	0.99%
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16.	Number of Customers Served:							
17.	Residential	1,293	1,262	1,228	1,198	1,169	2.55%	2.46%
18.	Commercial	208	201	193	188	183	3.00%	2.49%
19.	Industrial	7	7	7	7	7	0.00%	0.00%
20.	Other	8	7	7	7	8	<u>7.48%</u>	<u>14.28%</u>
21.	Total Number of Customers	<u>1,514</u>	<u>1,477</u>	<u>1,433</u>	<u>1,400</u>	<u>1,385</u>	<u>2.62%</u>	<u>2.51%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	16,335	16,209	15,272	15,223	15,399	1.49%	0.78%
24.	Commercial	17,082	16,360	15,394	15,049	14,559	4.05%	4.29%
25.	Industrial	17,660	18,030	18,007	17,547	17,498	0.23%	-2.05%
26.	Other	230	221	218	204	198	<u>3.82%</u>	<u>4.07%</u>
27.	Total Sales	<u>51,287</u>	<u>50,820</u>	<u>48,891</u>	<u>48,023</u>	<u>47,652</u>	<u>1.85%</u>	<u>0.82%</u>
<hr/>								
28.	Estimated Overall Rate of Return	9.99%	9.98%	9.96%	9.82%	9.87%	0.30%	0.10%
29.	Estimated Return on Common Equity	12.15%	12.38%	12.13%	11.56%	12.07%	0.17%	-1.86%
30.	Common Equity Ratio	58.88%	55.20%	54.20%	53.89%	52.78%	2.68%	6.30%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.82	5.27	4.08	4.82	4.83	3.33%	6.64%
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32.	<b>LAST RATE CASE</b>	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 86% of total company electric utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC ES-1 Reports.

**NANTHALA 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	
		March 2000 (b)	March 1999 (c)	March 1998 (d)	March 1997 (e)	March 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$66,913	\$65,226	\$63,755	\$59,663	\$66,953	-0.01%	2.59%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	0	237	86	819	9,976	N/A	N/A
4.	Purchased Power - Regular	26,621	25,879	25,819	24,299	25,702	0.88%	2.87%
5.	Maintenance	5,002	5,103	4,725	4,875	5,551	-2.57%	-1.96%
6.	Other Operating Expenses	8,285	7,428	7,793	7,654	7,733	1.77%	11.67%
7.	Total Operating Expenses	39,918	38,647	38,223	37,647	48,962	-4.98%	3.29%
8.	Depreciation & Amortization	6,180	5,779	5,327	4,590	4,999	5.45%	6.94%
9.	Total Expenses & Depreciation	46,098	44,426	43,550	42,237	53,961	-3.86%	3.76%
10.	Total Operating Taxes	9,141	9,264	8,930	8,297	8,000	11.10%	-1.33%
11.	Total Expenses, Depr. & Taxes	55,239	53,690	52,480	50,534	59,961	-2.03%	2.89%
12.	Operating Income	\$11,674	\$11,536	\$11,275	\$9,129	\$6,992	13.67%	1.20%
13.	Net Plant Investment	\$144,985	\$140,137	\$130,141	\$113,776	\$105,041	8.39%	3.46%
14.	Oper. Exp. as a % of Total Revenue	59.66%	59.25%	59.95%	63.10%	73.13%	-4.96%	0.69%
15.	Net Plt. Investment per \$ of Revenue	\$2.17	\$2.15	\$2.04	\$1.91	\$1.57	8.43%	0.93%
16.	Number of Customers Served:							
17.	Residential	54	52	51	50	48	2.99%	3.85%
18.	Commercial	7	6	6	6	6	3.93%	16.67%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	0	0	0	0	0	N/A	N/A
21.	Total Number of Customers	61	58	57	56	54	3.09%	5.17%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	516	495	490	461	475	2.09%	4.24%
24.	Commercial	357	346	323	319	310	3.59%	3.18%
25.	Industrial	140	137	132	115	111	5.97%	2.19%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	1,015	880	947	897	898	3.11%	3.57%
28.	Estimated Overall Rate of Return	8.43%	8.80%	9.12%	8.09%	7.05%	4.57%	-4.20%
29.	Estimated Return on Common Equity	9.23%	10.03%	10.86%	8.54%	6.48%	7.33%	-7.98%
30.	Common Equity Ratio	55.96%	52.61%	49.34%	57.87%	62.91%	-2.88%	6.37%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.64	3.49	3.35	3.68	2.98	5.13%	4.30%
32.	<b>LAST RATE CASE</b>	<b>Authorized Returns: Common Equity 12.10%, Overall 10.32%; Equity Ratio: 56.11%; Date of Order: 6-18-93</b>						

Notes: [1] North Carolina retail jurisdictional revenue equates to 96% of total company electric utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC ES-1 Reports.  
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2000 (b)	March 1999 (c)	March 1998 (d)	March 1997 (e)	March 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$222,949	\$219,198	\$217,715	\$208,939	\$206,877	1.89%	1.71%
2.	Operating Expenses:							
3.	Fuel	32,766	27,771	17,359	27,324	27,402	4.57%	17.99%
4.	Purchased Power	51,802	52,039	59,877	54,331	49,089	1.35%	-0.46%
5.	Maintenance	0	12,671	10,765	13,480	13,062	N/A	N/A
6.	Other Operating Expenses	49,888	31,375	30,040	29,877	30,827	12.97%	59.01%
7.	Total Operating Expenses	134,456	123,856	118,041	124,792	120,180	2.85%	8.56%
8.	Depreciation & Amortization	24,648	25,109	27,668	25,496	23,890	0.78%	-1.84%
9.	Total Expenses & Depreciation	159,104	148,965	145,709	150,288	144,070	2.51%	6.81%
10.	Total Operating Taxes	27,700	30,434	30,107	25,266	26,718	0.91%	-9.99%
11.	Total Expenses, Depr. & Taxes	186,804	179,399	175,816	175,554	170,788	2.27%	4.13%
12.	Operating Income	\$36,145	\$39,799	\$41,899	\$33,385	\$36,089	0.04%	-9.18%
13.	Net Plant Investment	\$405,339	\$410,138	\$439,251	\$448,834	\$439,648	-2.01%	-1.17%
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14.	Oper. Exp. as a % of Total Revenue	80.31%	56.50%	54.22%	59.73%	58.09%	0.94%	6.74%
15.	Net Plt. Investment per \$ of Revenue	\$1.82	\$1.87	\$2.02	\$2.15	\$2.13	-3.86%	-2.67%
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16.	Number of Customers Served:							
17.	Residential	91	90	89	87	86	1.42%	1.11%
18.	Commercial	14	14	13	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	107	106	104	102	101	1.45%	0.94%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,224	1,188	1,112	1,081	1,128	2.06%	3.03%
24.	Commercial	662	650	630	621	637	0.97%	1.85%
25.	Industrial	1,218	1,202	1,266	1,262	1,186	0.67%	1.33%
26.	Other	124	128	109	113	120	0.82%	-1.59%
27.	Total Sales	3,228	3,168	3,117	3,077	3,071	1.25%	1.96%
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28.	Estimated Overall Rate of Return	8.85%	9.65%	9.55%	7.62%	8.84%	0.03%	-8.29%
29.	Estimated Return on Common Equity	10.76%	12.41%	12.09%	7.83%	10.56%	0.42%	-13.30%
30.	Common Equity Ratio	48.16%	47.24%	47.45%	48.82%	45.36%	1.52%	1.99%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.92	4.14	4.00	3.01	3.44	3.32%	-5.31%
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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.

**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	
		March 2000 (b)	March 1999 (c)	March 1998 (d)	March 1997 (e)	March 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	N/A	\$5,712	\$7,080	N/A	\$5,929	N/A	N/A
3.	Commercial	N/A	2,809	3,173	N/A	2,932	N/A	N/A
4.	Industrial	N/A	2,105	4,116	N/A	5,355	N/A	N/A
5.	Public Authorities	N/A	0	0	N/A	0	N/A	N/A
6.	Resale	N/A	1,387	1,971	N/A	0	N/A	N/A
7.	Other	N/A	2,208	2,722	N/A	1,349	N/A	N/A
8.	Total Operating Revenue	N/A	14,019	19,062	N/A	15,565	N/A	N/A
9.	Cost of Gas	N/A	7,601	11,815	N/A	8,811	N/A	N/A
10.	Margin	N/A	6,418	7,247	N/A	6,754	N/A	N/A
11.	O & M Expenses	N/A	3,816	3,675	N/A	3,626	N/A	N/A
12.	Other Deductions	N/A	1,638	2,115	N/A	1,431	N/A	N/A
13.	Operating Income	N/A	\$988	\$1,457	N/A	\$1,897	N/A	N/A
14.	Net Plant Investment	N/A	\$14,622	\$14,128	N/A	\$10,891	N/A	N/A
15.	Operating Exp. as a % of Margin	N/A	59.46%	50.71%	N/A	53.69%	N/A	N/A
16.	Net Plt. Investment per \$ of Margin	N/A	\$2.28	\$1.95	N/A	\$1.61	N/A	N/A
17.	Gas Delivered in DTs:							
18.	Residential	N/A	798	822	N/A	913	N/A	N/A
19.	Commercial	N/A	488	459	N/A	566	N/A	N/A
20.	Industrial	N/A	1,215	932	N/A	1,545	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	1,110	1,528	N/A	911	N/A	N/A
24.	Total DTs	N/A	3,609	3,741	N/A	3,835	N/A	N/A
25.	Number of Customers:							
26.	Residential	N/A	12	12	N/A	11	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	13	N/A	N/A
33.	Estimated Overall Rate of Return	N/A	N/A	N/A	N/A	11.37%	N/A	N/A
34.	Estimated Return on Common Equity	N/A	N/A	N/A	N/A	13.00%	N/A	N/A
35.	Common Equity Ratio	N/A	N/A	N/A	N/A	44.22%	N/A	N/A
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	N/A	N/A	N/A	N/A	2.77	N/A	N/A
37.	<b>LAST RATE CASE</b>	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	
		March 2000 (b)	March 1999 (c)	March 1998 (d)	March 1997 (e)	March 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$47,210	\$39,955	\$48,713	\$47,622	\$40,063	4.19%	18.16%
3.	Commercial	30,853	28,834	31,283	31,529	24,775	5.64%	14.98%
4.	Industrial	90,873	38,209	51,241	74,987	85,481	8.48%	137.31%
5.	Public Authorities	1,534	1,414	1,813	1,989	1,841	-5.71%	8.49%
6.	Resale	22,303	13,548	18,865	25,577	25,783	-3.56%	64.65%
7.	Other	24,492	30,505	28,878	17,435	21,045	3.86%	-19.71%
8.	Total Operating Revenue	217,085	150,463	174,874	199,129	179,088	4.93%	44.26%
9.	Cost of Gas	142,987	77,437	99,809	126,504	114,604	5.69%	84.65%
10.	Margin	74,078	73,026	75,065	72,625	64,484	3.53%	1.44%
11.	O & M Expenses	31,394	24,248	25,922	24,937	21,343	10.13%	29.47%
12.	Other Deductions	26,058	28,718	28,580	27,845	24,965	1.08%	-9.26%
13.	Operating Income	\$16,628	\$20,082	\$20,563	\$19,643	\$18,178	-2.20%	-17.13%
14.	Net Plant Investment	\$229,964	\$212,819	\$201,078	\$184,289	\$178,051	6.46%	8.06%
15.	Operating Exp. as a % of Margin	42.38%	33.20%	34.53%	34.34%	33.10%	6.37%	27.65%
16.	Net Plt. Investment per \$ of Margin	\$3.10	\$2.91	\$2.68	\$2.54	\$2.78	2.76%	6.53%
17.	Gas Delivered in DTs:							
18.	Residential	6,341	5,489	6,007	6,090	6,343	-0.01%	15.52%
19.	Commercial	5,485	4,977	5,273	5,171	5,212	1.19%	9.81%
20.	Industrial	26,211	11,407	12,878	17,881	19,391	7.83%	129.78%
21.	Public Authorities	282	284	319	334	389	-9.41%	-0.76%
22.	Resale	5,184	2,795	3,108	5,284	7,355	-8.37%	85.47%
23.	Other	14,271	28,525	28,039	19,201	15,023	-1.28%	-51.66%
24.	Total DTs	57,734	54,457	55,424	53,871	53,713	1.82%	6.02%
25.	Number of Customers:							
26.	Residential	101	98	97	93	90	2.92%	3.06%
27.	Commercial	14	14	13	13	12	3.93%	0.00%
28.	Industrial	0	0	0	0	1	N/A	N/A
29.	Public Authorities	4	4	4	5	5	-5.43%	0.00%
30.	Resale	51	49	48	44	41	5.81%	4.08%
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	170	165	160	155	149	3.35%	3.03%
33.	Estimated Overall Rate of Return	9.66%	10.45%	11.47%	12.05%	10.54%	-2.16%	-7.56%
34.	Estimated Return on Common Equity	12.83%	12.21%	13.70%	14.56%	11.84%	1.41%	3.44%
35.	Common Equity Ratio	52.20%	60.87%	60.67%	60.45%	60.57%	-3.65%	-14.36%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.49	5.01	5.27	5.41	4.82	-0.71%	-10.38%
37.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity N/A, Overall 10.06%; 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, Column (b), 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 the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2000 (b)	March 1999 (c)	March 1998 (d)	March 1997 (e)	March 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$202,076	\$171,992	\$192,785	\$195,520	\$158,775	6.21%	17.49%
3.	Commercial	107,125	86,790	102,549	108,187	86,695	5.43%	23.43%
4.	Industrial	88,575	73,389	79,760	101,450	77,562	3.38%	20.69%
5.	Public Authorities	2,781	2,691	3,201	3,322	2,737	0.40%	3.34%
6.	Resale	0	0	0	67	2,149	N/A	N/A
7.	Other	21,729	81,415	75,958	60,330	16,268	7.50%	-73.31%
8.	Total Operating Revenue	422,286	416,277	454,253	468,878	344,186	5.25%	1.44%
9.	Cost of Gas	243,807	224,115	265,247	290,207	186,495	6.91%	8.70%
10.	Margin	178,679	192,162	189,006	178,669	157,691	3.17%	-7.02%
11.	O & M Expenses	71,098	69,025	69,880	72,175	65,987	1.88%	3.00%
12.	Other Deductions	55,607	66,165	64,928	60,221	51,750	1.81%	-15.96%
13.	Operating Income	\$51,974	\$56,972	\$54,188	\$46,273	\$39,954	6.80%	-8.77%
14.	Net Plant Investment	\$556,105	\$507,169	\$485,330	\$460,479	\$426,475	6.86%	9.65%
15.	Operating Exp. as a % of Margin	39.79%	35.92%	36.97%	40.40%	41.85%	-1.25%	10.77%
16.	Net Plt. Investment per \$ of Margin	\$3.11	\$2.64	\$2.57	\$2.58	\$2.70	3.60%	17.80%
17.	Gas Delivered in DTs:							
18.	Residential	24,572	22,378	24,702	23,251	24,132	0.45%	9.80%
19.	Commercial	16,240	14,394	16,205	15,673	15,634	0.96%	12.82%
20.	Industrial	20,970	20,753	18,457	21,854	20,140	0.89%	0.56%
21.	Public Authorities	396	424	482	468	511	-6.18%	-6.60%
22.	Resale	0	0	0	(74)	832	N/A	N/A
23.	Other	20,885	50,444	42,550	31,149	17,116	5.10%	-58.60%
24.	Total DTs	82,963	108,383	102,386	92,321	78,365	1.44%	-23.46%
25.	Number of Customers:							
26.	Residential	357	338	320	301	281	6.17%	5.62%
27.	Commercial	41	40	38	37	35	4.03%	2.50%
28.	Industrial	2	2	2	2	2	0.00%	0.00%
29.	Public Authorities	6	6	6	6	6	0.00%	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	406	386	366	346	324	5.80%	5.18%
33.	Estimated Overall Rate of Return	10.11%	10.77%	11.67%	10.82%	10.03%	0.20%	-6.13%
34.	Estimated Return on Common Equity	12.33%	13.25%	15.05%	14.00%	11.70%	1.32%	-6.94%
35.	Common Equity Ratio	52.92%	54.01%	52.19%	49.84%	52.27%	0.31%	-2.02%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.91	4.21	4.34	3.91	3.51	2.73%	-7.13%
37.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity N/A, Overall N/A; Equity Ratio: N/A; Date of Order: 10-23-96						

Notes: [1] North Carolina retail jurisdictional revenue equates to 57% 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	
		March 2000 (b)	March 1999 (c)	March 1998 (d)	March 1997 (e)	March 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$199,641	\$172,731	\$187,598	\$178,229	\$153,822	6.74%	15.58%
3.	Commercial	87,642	75,288	86,427	86,091	74,187	4.26%	16.44%
4.	Industrial	8,943	6,408	24,707	38,108	35,529	-29.17%	38.56%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	0	0	0	0	3,679	N/A	N/A
7.	Other	42,216	39,604	39,390	33,280	18,147	23.50%	6.06%
8.	Total Operating Revenue	338,442	294,211	336,120	335,708	285,344	4.36%	15.03%
9.	Cost of Gas	168,706	136,670	181,605	184,358	147,050	3.49%	23.44%
10.	Margin	169,736	157,541	156,515	151,348	138,294	5.25%	7.74%
11.	O & M Expenses	87,403	86,770	80,630	58,687	53,584	5.90%	0.95%
12.	Other Deductions	59,419	55,095	55,957	54,120	48,786	5.05%	7.85%
13.	Operating Income	\$42,914	\$35,676	\$39,828	\$38,541	\$35,924	4.55%	20.29%
14.	Net Plant Investment	\$503,960	\$480,628	\$485,695	\$430,386	\$383,557	6.38%	4.85%
15.	Operating Exp. as a % of Margin	39.71%	42.38%	38.74%	38.78%	38.75%	0.61%	-6.30%
16.	Net Plt. Investment per \$ of Margin	\$2.97	\$3.05	\$2.98	\$2.84	\$2.85	1.04%	-2.62%
17.	Gas Delivered in DTs:							
18.	Residential	22,033	19,254	20,934	20,005	21,329	0.82%	14.43%
19.	Commercial	13,264	11,812	12,705	12,759	13,690	-0.77%	12.29%
20.	Industrial	1,853	1,219	5,012	8,035	8,998	-34.53%	35.80%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22.	Resale	0	0	0	0	0	N/A	N/A
23.	Other	33,363	30,890	29,544	23,676	19,473	14.41%	8.01%
24.	Total DTs	70,313	63,175	68,185	64,475	63,480	2.59%	11.30%
25.	Number of Customers:							
26.	Residential	313	299	283	268	259	4.85%	4.68%
27.	Commercial	43	42	41	40	37	3.83%	2.38%
28.	Industrial	2	2	2	2	0	N/A	0.00%
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	358	343	328	310	298	4.87%	4.37%
33.	Estimated Overall Rate of Return	11.13%	8.39%	9.80%	10.31%	11.28%	-0.29%	32.66%
34.	Estimated Return on Common Equity	15.12%	9.07%	11.70%	12.80%	13.46%	2.85%	68.70%
35.	Common Equity Ratio	48.18%	49.15%	48.82%	49.81%	53.57%	-2.62%	-1.97%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.11	2.81	3.28	3.53	3.90	1.32%	46.26%
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] The Company has changed, effective March 2000, an accounting procedure such that it now accrues revenues for unbilled deliveries. The change has the effect of accelerating the recognition of margins not yet billed. Also, earnings data reflects treatment of the acquisition adjustment resulting from the merger between SCANA Corporation and Public Service Company of North Carolina, Inc., in a manner consistent with the Commission's Order approving the merger (Order dated December 7, 1999, in Docket No. G-5, Sub 400).  
[5] 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 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$63,217	\$63,267	\$57,628	\$50,393	\$42,419	10.49%	-0.08%
3.	Network Access	21,166	20,200	20,706	21,342	20,771	0.47%	4.78%
4.	Long Distance Message	5,643	5,498	5,403	7,927	15,637	-22.49%	2.84%
5.	Miscellaneous	3,636	3,577	2,477	1,286	5,157	-8.37%	1.65%
6.	Uncollectibles	(564)	(580)	(278)	(490)	(1,612)	-23.09%	-2.76%
7.	Total Operating Revenue	<u>93,098</u>	<u>91,962</u>	<u>85,936</u>	<u>80,458</u>	<u>82,372</u>	<u>3.11%</u>	<u>1.24%</u>
8.	Operating Expenses	46,647	42,171	39,913	39,333	36,965	5.97%	10.61%
9.	Depreciation & Amortization	16,157	15,276	14,026	13,154	16,360	-0.31%	5.77%
10.	Total Operating Taxes	<u>11,879</u>	<u>13,434</u>	<u>12,171</u>	<u>10,612</u>	<u>11,442</u>	<u>0.94%</u>	<u>-11.59%</u>
11.	Total Expenses, Depr. & Taxes	<u>74,683</u>	<u>70,881</u>	<u>66,110</u>	<u>63,099</u>	<u>64,787</u>	<u>3.62%</u>	<u>5.36%</u>
12.	Other Operating (Income) & Expense	0	0	0	0	(187)	N/A	N/A
13.	Operating Income	<u>\$18,415</u>	<u>\$21,081</u>	<u>\$19,826</u>	<u>\$17,359</u>	<u>\$17,772</u>	<u>0.89%</u>	<u>-12.85%</u>
14.	Net Plant Investment	<u>\$153,889</u>	<u>\$146,651</u>	<u>\$145,745</u>	<u>\$134,278</u>	<u>\$133,271</u>	<u>3.66%</u>	<u>4.94%</u>
15.	Oper. Exp. as a % of Total Revenue	50.11%	45.86%	46.45%	48.89%	44.90%	2.78%	9.27%
16.	Net Plt. Investment per \$ of Revenue	\$1.85	\$1.59	\$1.70	\$1.67	\$1.62	0.46%	3.77%
17.	Local Access Lines:							
18.	Residential	169	158	147	137	130	6.78%	6.96%
19.	Business	52	49	45	41	36	9.63%	6.12%
20.	Total Local Access Lines	<u>221</u>	<u>207</u>	<u>192</u>	<u>178</u>	<u>166</u>	<u>7.42%</u>	<u>6.76%</u>
21.	Total Access Lines:							
22.	Residential	169	158	147	137	130	6.78%	6.96%
23.	Business	52	49	45	41	37	8.88%	6.12%
24.	Total Access Lines	<u>221</u>	<u>207</u>	<u>192</u>	<u>178</u>	<u>167</u>	<u>7.26%</u>	<u>6.76%</u>
25.	Estimated Overall Rate of Return	13.52%	16.01%	15.71%	14.29%	13.78%	-0.48%	-15.55%
26.	Estimated Return on Common Equity	14.90%	20.85%	20.90%	18.36%	17.57%	-4.04%	-27.85%
27.	Common Equity Ratio	65.39%	61.69%	60.78%	61.43%	61.33%	1.62%	6.00%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.24	7.24	6.45	7.61	7.84	-14.24%	-41.44%
29.	<b>LAST RATE CASE</b>	<b>Authorized Returns: Common Equity 13.20%, Overall 10.33%; Equity Ratio: 42.11%; Date of Order: 11-25-86</b>						

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 will be updated annually beginning with the calendar year 1998.

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

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

Line No.	Item (a)	12 Months Ended					Annual	
		December 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$1,035,846	\$955,410	\$871,904	\$805,617	\$689,370	10.72%	8.42%
3.	Network Access	144,537	158,061	159,274	163,678	161,256	-2.70%	-8.56%
4.	Long Distance Message	35,137	42,476	49,446	64,674	106,379	-24.19%	-17.28%
5.	Miscellaneous	58,366	47,566	37,573	84,291	89,552	-10.15%	22.63%
6.	Uncollectibles	(9,102)	(8,300)	(13,684)	(12,559)	(5,880)	11.54%	44.48%
7.	Total Operating Revenue	<u>1,264,784</u>	<u>1,197,243</u>	<u>1,104,413</u>	<u>1,105,701</u>	<u>1,040,677</u>	<u>5.00%</u>	<u>5.64%</u>
8.	Operating Expenses	457,763	463,029	457,536	496,846	494,761	-1.92%	-1.14%
9.	Depreciation & Amortization	310,910	291,352	290,581	284,607	208,264	10.54%	6.71%
10.	Total Operating Taxes	200,530	188,120	184,263	125,641	139,563	9.48%	20.71%
11.	Total Expenses, Depr. & Taxes	<u>969,203</u>	<u>920,501</u>	<u>912,380</u>	<u>907,094</u>	<u>842,588</u>	<u>3.56%</u>	<u>5.29%</u>
12.	Other Operating (Income) & Expense	46	(530)	98	70	(51)	N/A	N/A
13.	Operating Income	<u>\$295,535</u>	<u>\$277,272</u>	<u>\$191,935</u>	<u>\$198,537</u>	<u>\$198,140</u>	<u>10.51%</u>	<u>8.59%</u>
14.	Net Plant Investment	<u>\$1,869,982</u>	<u>\$1,863,734</u>	<u>\$1,864,967</u>	<u>\$1,852,897</u>	<u>\$1,893,522</u>	<u>-0.31%</u>	<u>0.34%</u>
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15.	Oper. Exp. as a % of Total Revenue	36.19%	38.67%	41.43%	44.93%	47.54%	-6.59%	-6.41%
16.	Net Plt. Investment per \$ of Revenue	\$1.48	\$1.58	\$1.69	\$1.68	\$1.82	-5.04%	-5.13%
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17.	Local Access Lines:							
18.	Residential	1,667	1,600	1,524	1,449	1,396	4.54%	4.19%
19.	Business	694	686	657	598	543	6.33%	1.17%
20.	Total Local Access Lines	<u>2,361</u>	<u>2,286</u>	<u>2,181</u>	<u>2,047</u>	<u>1,939</u>	<u>5.05%</u>	<u>3.28%</u>
21.	Total Access Lines:							
22.	Residential	1,667	1,600	1,524	1,449	1,396	4.54%	4.19%
23.	Business	698	690	663	604	550	6.14%	1.16%
24.	Total Access Lines	<u>2,365</u>	<u>2,290</u>	<u>2,187</u>	<u>2,053</u>	<u>1,946</u>	<u>5.00%</u>	<u>3.28%</u>
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25.	Estimated Overall Rate of Return	18.37%	17.19%	11.95%	12.46%	12.72%	9.62%	6.86%
26.	Estimated Return on Common Equity	27.75%	25.24%	16.15%	17.54%	16.94%	13.13%	9.94%
27.	Common Equity Ratio	55.12%	57.55%	57.38%	55.69%	58.65%	-1.54%	-4.22%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	9.08	9.30	7.30	6.62	6.71	7.86%	-2.37%
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29.	LAST RATE CASE	Authorized Returns: Common Equity 15.00%, Overall 12.51%; Equity Ratio: 54.60%; Date of Order: 11-9-84						

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] BellSouth Telecommunications, Inc. has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for BellSouth Telecommunications, Inc. included herein will be updated annually beginning with the calendar year 1996.  
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual	
		December 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$392,091	\$360,990	\$338,308	\$309,556	\$259,741	10.84%	8.62%
3.	Network Access	86,775	89,608	88,775	91,084	86,173	0.17%	-3.16%
4.	Long Distance Message	24,172	24,436	32,804	39,116	67,623	-22.68%	-1.08%
5.	Miscellaneous	32,335	34,582	45,277	51,545	46,673	-8.77%	-6.50%
6.	Uncollectibles	(8,865)	(5,716)	(6,687)	(5,813)	(3,343)	18.83%	16.60%
7.	Total Operating Revenue	<u>528,708</u>	<u>503,898</u>	<u>498,495</u>	<u>485,688</u>	<u>458,867</u>	<u>3.72%</u>	<u>4.92%</u>
8.	Operating Expenses	281,128	259,881	250,852	256,783	234,038	4.69%	8.18%
9.	Depreciation & Amortization	134,968	129,867	123,863	117,404	95,023	9.17%	4.09%
10.	Total Operating Taxes	<u>47,988</u>	<u>50,037</u>	<u>52,515</u>	<u>48,115</u>	<u>52,547</u>	<u>-2.25%</u>	<u>-4.14%</u>
11.	Total Expenses, Depr. & Taxes	<u>484,082</u>	<u>439,585</u>	<u>427,030</u>	<u>422,302</u>	<u>381,608</u>	<u>5.01%</u>	<u>5.57%</u>
12.	Operating Income	<u>\$84,648</u>	<u>\$84,313</u>	<u>\$71,465</u>	<u>\$63,386</u>	<u>\$75,259</u>	<u>-3.73%</u>	<u>0.52%</u>
13.	Net Plant Investment	<u>\$823,474</u>	<u>\$842,707</u>	<u>\$861,395</u>	<u>\$874,875</u>	<u>\$888,175</u>	<u>-2.44%</u>	<u>-2.99%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	53.17%	51.57%	50.32%	52.87%	51.23%	0.94%	3.10%
15.	Net Plt. Investment per \$ of Revenue	\$1.18	\$1.28	\$1.33	\$1.39	\$1.51	-5.94%	-7.54%
<hr/>								
16.	Local Access Lines:							
17.	Residential	881	844	813	792	762	3.69%	4.38%
18.	Business	297	284	259	230	208	9.31%	4.58%
19.	Total Local Access Lines	<u>1,178</u>	<u>1,128</u>	<u>1,072</u>	<u>1,022</u>	<u>970</u>	<u>4.98%</u>	<u>4.43%</u>
20.	Total Access Lines:							
21.	Residential	881	844	813	792	762	3.69%	4.38%
22.	Business	<u>298</u>	<u>285</u>	<u>260</u>	<u>231</u>	<u>210</u>	<u>9.14%</u>	<u>4.56%</u>
23.	Total Access Lines	<u>1,179</u>	<u>1,129</u>	<u>1,073</u>	<u>1,023</u>	<u>972</u>	<u>4.85%</u>	<u>4.43%</u>
<hr/>								
24.	Estimated Overall Rate of Return	12.36%	11.69%	12.53%	11.02%	13.07%	-1.39%	5.73%
25.	Estimated Return on Common Equity	15.96%	15.10%	16.59%	13.60%	16.36%	-0.65%	5.70%
26.	Common Equity Ratio	62.08%	62.09%	60.75%	62.23%	62.60%	-0.21%	-0.02%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.35	7.59	7.65	6.45	6.93	1.48%	-3.16%
<hr/>								
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 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] Carolina Telephone and Telegraph Company has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for Carolina Telephone and Telegraph Company included herein will be updated annually beginning with the calendar year 1998.

**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 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$98,597	\$88,288	\$83,322	\$77,233	\$60,431	13.02%	11.68%
3.	Network Access	19,271	19,093	19,320	19,387	20,030	-0.96%	0.93%
4.	Long Distance Message	8,163	7,841	9,543	9,188	22,339	-22.25%	4.11%
5.	Miscellaneous	11,183	12,488	13,219	10,662	10,350	1.95%	-10.45%
6.	Uncollectibles	(1,337)	(1,773)	(1,559)	(1,015)	(732)	16.25%	-24.59%
7.	Total Operating Revenue	135,877	125,937	123,845	115,475	112,418	4.65%	7.89%
8.	Operating Expenses	77,567	70,236	70,435	72,760	68,124	3.30%	10.44%
9.	Depreciation & Amortization	23,066	21,629	21,262	20,823	13,911	13.48%	6.64%
10.	Total Operating Taxes	13,145	14,113	13,035	8,780	11,942	2.43%	-6.86%
11.	Total Expenses, Depr. & Taxes	113,778	105,978	104,732	102,363	93,977	4.90%	7.36%
12.	Operating Income	\$22,099	\$19,959	\$19,113	\$13,092	\$18,441	4.63%	10.72%
13.	Net Plant Investment	\$208,582	\$210,041	\$201,341	\$194,240	\$189,012	2.49%	-0.69%
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14.	Oper. Exp. as a % of Total Revenue	57.09%	55.77%	56.87%	63.03%	60.60%	-1.48%	2.36%
15.	Net Plt. Investment per \$ of Revenue	\$1.54	\$1.67	\$1.63	\$1.68	\$1.68	-2.25%	-7.96%
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16.	Local Access Lines:							
17.	Residential	204	196	190	185	179	3.32%	4.08%
18.	Business	73	70	63	56	52	8.85%	4.29%
19.	Total Local Access Lines	277	266	253	241	231	4.64%	4.14%
20.	Total Access Lines:							
21.	Residential	204	196	190	185	179	3.32%	4.08%
22.	Business	73	70	63	57	52	8.85%	4.29%
23.	Total Access Lines	277	266	253	242	231	4.64%	4.14%
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24.	Estimated Overall Rate of Return	N/A	12.84%	12.60%	8.86%	13.05%	N/A	N/A
25.	Estimated Return on Common Equity	N/A	12.39%	12.60%	8.40%	15.10%	N/A	N/A
26.	Common Equity Ratio	N/A	89.13%	88.21%	80.85%	65.95%	N/A	N/A
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	N/A	10.79	12.61	5.92	6.22	N/A	N/A
<hr/>								
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 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] Central Telephone Company has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for Central Telephone Company included herein will be updated annually beginning with the calendar year 1996.

[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	
		March 2000 (b)	March 1999 (c)	March 1998 (d)	March 1997 (e)	March 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$4,807	\$4,672	\$4,351	\$4,134	\$3,406	9.00%	2.89%
3.	Network Access	3,830	3,634	3,433	2,845	2,752	8.61%	5.39%
4.	Long Distance Message	1,238	1,164	1,144	1,104	1,878	-9.89%	6.36%
5.	Miscellaneous	885	870	820	826	802	2.49%	1.72%
6.	Uncollectibles	(12)	(19)	(31)	(29)	(10)	4.66%	-36.84%
7.	Total Operating Revenue	10,748	10,321	9,717	8,880	8,828	5.04%	4.14%
8.	Operating Expenses	4,260	4,074	3,876	3,746	3,737	3.33%	4.57%
9.	Depreciation & Amortization	1,653	2,452	2,643	2,012	2,003	-4.69%	-32.59%
10.	Total Operating Taxes	1,845	1,234	983	1,020	988	17.50%	49.51%
11.	Total Expenses, Depr. & Taxes	7,758	7,760	7,502	6,778	6,708	3.70%	-0.03%
12.	Operating Income	\$2,990	\$2,561	\$2,215	\$2,102	\$2,120	8.98%	16.75%
13.	Net Plant Investment	\$20,528	\$18,723	\$17,479	\$17,085	\$16,854	5.05%	9.64%
14.	Oper. Exp. as a % of Total Revenue	39.64%	39.47%	39.89%	42.18%	42.33%	-1.63%	0.43%
15.	Net Plt. Investment per \$ of Revenue	\$1.91	\$1.81	\$1.80	\$1.92	\$1.91	0.00%	5.52%
16.	Local Access Lines:							
17.	Residential	16	16	15	14	14	3.39%	0.00%
18.	Business	4	4	3	3	3	7.46%	0.00%
19.	Total Local Access Lines	20	20	18	17	17	4.15%	0.00%
20.	Total Access Lines:							
21.	Residential	16	16	15	14	14	3.39%	0.00%
22.	Business	4	4	3	3	3	7.46%	0.00%
23.	Total Access Lines	20	20	18	17	17	4.15%	0.00%
24.	Estimated Overall Rate of Return	15.76%	14.03%	12.86%	12.64%	12.73%	5.48%	12.33%
25.	Estimated Return on Common Equity	20.28%	18.08%	16.64%	16.81%	17.53%	3.68%	12.06%
26.	Common Equity Ratio	62.43%	59.01%	55.68%	52.55%	49.66%	5.89%	5.80%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.25	5.67	4.75	4.55	4.29	14.02%	27.87%
28.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 12.70%, Overall 10.11%; Equity Ratio: 44.95%; Date of Order: 2-26-91						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 70% of total North Carolina revenue, i.e., intrastate and interstate revenue.

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

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

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$38,190	\$35,129	\$29,962	\$24,034	\$21,231	15.81%	8.71%
3.	Network Access	6,639	5,836	5,351	4,083	3,618	16.39%	13.78%
4.	Long Distance Message	4,739	4,937	7,113	8,713	5,748	-4.71%	-4.01%
5.	Miscellaneous	7,264	6,970	6,274	5,861	4,760	11.15%	4.22%
6.	Uncollectibles	(178)	(73)	(185)	(132)	(168)	1.46%	143.84%
7.	Total Operating Revenue	<u>56,654</u>	<u>52,799</u>	<u>48,535</u>	<u>42,559</u>	<u>35,189</u>	<u>12.64%</u>	<u>7.30%</u>
8.	Operating Expenses	28,107	27,025	24,581	24,155	15,683	15.70%	4.00%
9.	Depreciation & Amortization	11,532	11,968	6,881	7,700	9,238	5.70%	-3.64%
10.	Total Operating Taxes	<u>7,810</u>	<u>6,544</u>	<u>7,739</u>	<u>5,077</u>	<u>4,790</u>	<u>13.00%</u>	<u>19.35%</u>
11.	Total Expenses, Depr. & Taxes	<u>47,449</u>	<u>45,537</u>	<u>39,201</u>	<u>36,932</u>	<u>29,711</u>	<u>12.42%</u>	<u>4.20%</u>
12.	Operating Income	<u>\$9,205</u>	<u>\$7,262</u>	<u>\$9,334</u>	<u>\$5,627</u>	<u>\$5,478</u>	<u>13.85%</u>	<u>26.76%</u>
13.	Net Plant Investment	<u>\$64,987</u>	<u>\$60,644</u>	<u>\$63,801</u>	<u>\$52,363</u>	<u>\$44,072</u>	<u>10.20%</u>	<u>7.16%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	49.61%	51.18%	50.65%	56.76%	44.57%	2.71%	-3.07%
15.	Net Plt. Investment per \$ of Revenue	\$1.15	\$1.15	\$1.31	\$1.23	\$1.25	-2.06%	0.00%
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16.	Local Access Lines:							
17.	Residential	88	84	79	76	73	4.78%	4.76%
18.	Business	25	24	23	21	18	8.56%	4.17%
19.	Total Local Access Lines	<u>113</u>	<u>108</u>	<u>102</u>	<u>97</u>	<u>91</u>	<u>5.56%</u>	<u>4.63%</u>
20.	Total Access Lines:							
21.	Residential	88	84	79	76	73	4.78%	4.76%
22.	Business	25	24	23	21	18	8.56%	4.17%
23.	Total Access Lines	<u>113</u>	<u>108</u>	<u>102</u>	<u>97</u>	<u>91</u>	<u>5.56%</u>	<u>4.63%</u>
<hr/>								
24.	Estimated Overall Rate of Return	18.12%	15.82%	20.39%	14.91%	16.49%	2.38%	14.54%
25.	Estimated Return on Common Equity	21.76%	18.21%	22.92%	16.04%	16.23%	4.52%	19.49%
26.	Common Equity Ratio	75.41%	78.06%	84.96%	88.35%	84.95%	-2.93%	-3.39%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	17.89	16.77	42.30	44.17	34.01	-14.84%	6.68%
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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 77% 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 will be updated annually beginning with the calendar year 1997.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$123,017	\$117,728	\$111,078	\$103,423	\$91,407	7.71%	4.49%
3.	Network Access	54,978	62,117	57,345	52,637	40,840	7.71%	-11.50%
4.	Long Distance Message	5,229	6,204	9,528	15,488	22,425	-30.51%	-15.72%
5.	Miscellaneous	17,215	18,249	15,993	14,049	14,227	4.88%	-5.87%
6.	Uncollectibles	(3,209)	(3,743)	(1,999)	(1,874)	(3,152)	0.43%	-14.35%
7.	Total Operating Revenue	197,231	200,555	191,848	183,723	185,747	4.44%	-1.88%
8.	Operating Expenses	93,150	100,885	90,819	88,905	82,387	3.12%	-7.48%
9.	Depreciation & Amortization	72,822	69,858	62,991	60,918	35,422	19.86%	3.98%
10.	Total Operating Taxes	14,374	9,108	13,594	13,892	20,998	-9.04%	57.82%
11.	Total Expenses, Depr. & Taxes	180,146	179,651	167,404	161,893	138,785	6.74%	0.28%
12.	Other Operating (Income) & Expense	119	80	21	82	(3)	N/A	98.33%
13.	Operating Income	\$16,868	\$20,844	\$24,521	\$21,978	\$26,965	-10.84%	-18.80%
14.	Net Plant Investment	\$446,187	\$340,952	\$351,888	\$355,008	\$355,020	5.88%	30.87%
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15.	Oper. Exp. as a % of Total Revenue	47.23%	50.20%	47.31%	47.30%	49.69%	-1.26%	-5.92%
16.	Net Plt. Investment per \$ of Revenue	\$2.26	\$1.70	\$1.83	\$1.93	\$2.14	1.36%	33.07%
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17.	Local Access Lines:							
18.	Residential	244	231	221	210	199	5.23%	5.83%
19.	Business	141	132	121	109	97	9.80%	8.82%
20.	Total Local Access Lines	385	363	342	319	296	8.79%	8.08%
21.	Total Access Lines:							
22.	Residential	244	231	221	210	199	5.23%	5.83%
23.	Business	251	214	199	184	138	16.58%	17.28%
24.	Total Access Lines	495	445	417	374	335	10.25%	11.24%
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25.	Estimated Overall Rate of Return	8.48%	8.74%	8.73%	7.80%	9.82%	-9.94%	-4.15%
26.	Estimated Return on Common Equity	4.38%	4.50%	8.82%	7.84%	11.17%	-20.98%	-3.11%
27.	Common Equity Ratio	55.81%	60.56%	63.23%	62.17%	58.20%	-1.04%	-7.84%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.23	1.81	3.56	3.46	4.45	-15.98%	23.20%
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29.	LAST RATE CASE	Authorized Returns: Common Equity 13.90%, Overall 11.82%; Equity Ratio: 50.00%; Date of Order: 9-18-86						

- Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 68% 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 TB-1 Reports except for data on Lines 2 - 11 and Lines 17 - 24, Column (f) which are the sum total of figures for GTE South, Inc. and GTE of North Carolina, which were being provided on a separated basis prior to January 1996.  
[4] GTE South Incorporated has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for GTE South Incorporated included herein will be updated annually beginning with the calendar year 1996.  
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2000 (b)	March 1999 (c)	March 1998 (d)	March 1997 (e)	March 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$12,026	\$10,770	\$10,107	\$8,705	\$8,730	15.62%	11.66%
3.	Network Access	3,035	2,908	2,867	3,314	9,956	-25.69%	4.37%
4.	Long Distance Message	437	491	625	858	1,659	-28.36%	-11.00%
5.	Miscellaneous	3,455	3,187	2,950	2,805	3,115	2.62%	8.41%
6.	Uncollectibles	(173)	(176)	(147)	(110)	(100)	14.69%	-1.70%
7.	Total Operating Revenue	18,780	17,180	16,402	15,572	21,360	-3.17%	9.31%
8.	Operating Expenses	8,375	9,401	8,716	8,675	11,531	-7.68%	-10.91%
9.	Depreciation & Amortization	3,070	2,660	3,516	2,880	3,156	-0.69%	15.41%
10.	Total Operating Taxes	4,677	4,138	2,874	2,732	2,459	17.44%	13.03%
11.	Total Expenses, Depr. & Taxes	16,122	16,199	15,106	14,287	17,146	-1.53%	-0.48%
12.	Operating Income	<u>\$2,658</u>	<u>\$981</u>	<u>\$1,296</u>	<u>\$1,285</u>	<u>\$4,214</u>	<u>-10.88%</u>	<u>170.95%</u>
13.	Net Plant Investment	<u>\$38,306</u>	<u>\$34,506</u>	<u>\$32,135</u>	<u>\$31,271</u>	<u>\$39,136</u>	<u>-1.66%</u>	<u>5.22%</u>
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14.	Oper. Exp. as a % of Total Revenue	44.80%	54.72%	53.14%	55.71%	53.98%	-4.66%	-18.49%
15.	Net Plt. Investment per \$ of Revenue	\$1.93	\$2.01	\$1.96	\$2.01	\$1.83	1.34%	-3.98%
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16.	Local Access Lines:							
17.	Residential	25	24	23	23	22	3.25%	4.17%
18.	Business	10	10	9	9	8	5.74%	0.00%
19.	Total Local Access Lines	35	34	32	32	30	3.93%	2.94%
20.	Total Access Lines:							
21.	Residential	25	24	23	23	22	3.25%	4.17%
22.	Business	10	10	9	9	8	5.74%	0.00%
23.	Total Access Lines	35	34	32	32	30	3.93%	2.94%
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24.	Estimated Overall Rate of Return	9.30%	5.47%	5.51%	20.55%	13.59%	-9.05%	70.02%
25.	Estimated Return on Common Equity	9.42%	5.22%	4.90%	22.91%	14.85%	-10.76%	80.46%
26.	Common Equity Ratio	92.58%	90.10%	81.25%	78.39%	80.04%	3.71%	2.75%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	41.53	27.93	10.86	14.76	12.76	34.32%	48.69%
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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 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$2,754	\$2,313	\$2,096	\$1,873	\$1,701	12.80%	19.07%
3.	Network Access	3,717	3,106	3,419	2,631	2,538	10.01%	19.67%
4.	Long Distance Message	739	819	608	612	604	5.17%	-9.77%
5.	Miscellaneous	866	430	207	171	167	50.90%	101.40%
6.	Uncollectibles	29	23	(111)	(60)	(46)	N/A	26.09%
7.	Total Operating Revenue	8,105	6,691	6,219	5,227	4,964	13.04%	21.13%
8.	Operating Expenses	4,970	4,943	4,028	3,493	3,485	9.28%	0.55%
9.	Depreciation & Amortization	800	708	701	752	557	9.47%	12.99%
10.	Total Operating Taxes	802	303	544	355	176	46.11%	164.69%
11.	Total Expenses, Depr. & Taxes	6,572	5,954	5,273	4,600	4,218	11.72%	10.36%
12.	Operating Income	\$1,533	\$737	\$946	\$627	\$746	19.73%	108.01%
13.	Net Plant Investment	\$6,631	\$7,684	\$6,964	\$6,351	\$6,256	8.38%	12.32%
14.	Oper. Exp. as a % of Total Revenue	81.32%	73.88%	84.77%	88.83%	70.21%	-3.33%	-17.00%
15.	Net Plt. Investment per \$ of Revenue	\$1.06	\$1.15	\$1.12	\$1.22	\$1.26	-4.23%	-7.83%
16.	Local Access Lines:							
17.	Residential	9	8	7	7	6	10.67%	12.50%
18.	Business	3	2	2	2	2	10.67%	50.00%
19.	Total Local Access Lines	12	10	9	9	8	10.67%	20.00%
20.	Total Access Lines:							
21.	Residential	9	8	7	7	6	10.67%	12.50%
22.	Business	3	2	2	2	2	10.67%	50.00%
23.	Total Access Lines	12	10	9	9	8	10.67%	20.00%
24.	Estimated Overall Rate of Return	17.95%	10.06%	15.01%	12.54%	12.01%	10.57%	78.43%
25.	Estimated Return on Common Equity	55.31%	12.74%	23.94%	18.10%	20.03%	28.91%	334.14%
26.	Common Equity Ratio	23.07%	25.06%	49.89%	47.08%	42.44%	-14.13%	-7.94%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.98	1.75	7.08	3.84	3.67	7.93%	184.57%
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 will be updated annually beginning with the calendar year 1999.  
[5] Significant changes in data for this reporting period are caused by the recent acquisition of MEBTEL Communications by Madison River Communications, Inc.  
[6] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2000 (b)	March 1999 (c)	March 1998 (d)	March 1997 (e)	March 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$33,389	\$29,903	\$27,667	\$23,948	\$19,364	14.59%	11.66%
3.	Network Access	30,655	29,409	28,281	27,203	27,163	3.24%	4.92%
4.	Long Distance Message	1,948	2,123	2,191	2,330	5,475	-22.77%	-8.24%
5.	Miscellaneous	7,882	7,514	7,146	5,962	5,920	7.42%	4.90%
6.	Uncollectibles	(890)	(640)	(645)	(490)	(416)	20.94%	39.06%
7.	Total Operating Revenue	73,184	68,309	64,640	58,953	57,506	6.21%	7.14%
8.	Operating Expenses	30,772	30,687	27,002	26,209	26,301	4.00%	0.28%
9.	Depreciation & Amortization	13,233	13,227	15,790	11,131	11,817	2.87%	0.05%
10.	Total Operating Taxes	12,582	10,490	9,597	9,400	8,303	10.95%	19.94%
11.	Total Expenses, Depr. & Taxes	56,587	54,404	52,389	46,740	46,421	5.08%	4.01%
12.	Other Operating (Income) & Expense	(129)	(170)	(329)	5	(532)	-29.83%	-24.12%
13.	Operating Income	\$16,726	\$14,075	\$12,580	\$12,208	\$11,617	9.54%	18.83%
14.	Net Plant Investment	\$95,863	\$85,666	\$82,810	\$85,195	\$80,871	4.34%	11.90%
15.	Oper. Exp. as a % of Total Revenue	42.05%	44.92%	41.77%	44.46%	45.74%	-2.08%	-6.40%
16.	Net Plt. Investment per \$ of Revenue	\$1.31	\$1.25	\$1.28	\$1.45	\$1.41	-1.76%	4.45%
17.	Local Access Lines:							
18.	Residential	87	84	80	76	73	4.48%	3.57%
19.	Business	46	42	38	35	33	8.66%	9.52%
20.	Total Local Access Lines	133	126	118	111	106	5.84%	5.56%
21.	Total Access Lines:							
22.	Residential	87	84	80	76	73	4.48%	3.57%
23.	Business	46	42	38	36	33	8.66%	9.52%
24.	Total Access Lines	133	126	118	112	106	5.84%	5.56%
25.	Estimated Overall Rate of Return	18.71%	17.18%	15.95%	15.82%	16.49%	3.21%	8.91%
26.	Estimated Return on Common Equity	19.12%	17.64%	16.43%	16.36%	17.25%	2.61%	8.39%
27.	Common Equity Ratio	96.73%	95.73%	95.14%	94.17%	92.90%	1.02%	1.04%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	211.78	141.32	116.85	91.96	76.06	29.18%	49.86%
29.	<b>LAST RATE CASE</b>	<b>Authorized Returns: Common Equity N/A, Overall N/A; Equity Ratio: N/A; Date of Order: 6-13-52</b>						

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

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 BellSouth  
 128 W. Hargett Street  
 Raleigh, North Carolina 27601

Others (continued)

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 GTE Telephone Operations  
 P.O. Box 1412  
 Durham, North Carolina 27702

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 P.O. Box 33068  
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 P.O. Box 33068  
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 First Union Building  
 Raleigh, North Carolina 27601

James P. West, Esquire  
 West Law Offices, P.C.  
 Suite 1735  
 Two Hannover Square  
 434 Fayetteville Street Mall  
 P.O. Box 1568  
 Raleigh, North Carolina 27602