"Quarterly Review"

Selected Financial and Operational Data:

Re: Electric Companies

- *Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.*
- *Duke Energy Carolinas, LLC*
- *Virginia Electric and Power Company, d/b/a Dominion North Carolina Power*

Natural Gas Local Distribution Companies

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

Telecommunications Companies

- *BellSouth Telecommunications, Inc., d/b/a AT&T North Carolina*
- *Carolina Telephone and Telegraph Company LLC*
- *Central Telephone Company*
- *Citizens Telephone Company*
- *LEXCOM Telephone Company*
- *Mebtel, Inc., d/b/a CenturyTel*
- *North State Telephone Company, d/b/a North State Communications*
- *Verizon South Inc.*
- *Windstream Concord Telephone, Inc.*
- *Windstream North Carolina, LLC*

▪ *Quarter Ending March 31, 2009* ▪

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

October 26, 2009

MEMORANDUM

TO: Chairman Edward S. Finley, Jr.
Commissioner Robert V. Owens, Jr.
Commissioner Lorinzo L. Joyner
Commissioner William T. Culpepper, III
Commissioner Bryan E. Beatty
Commissioner Susan W. Rabon
Commissioner ToNola D. Brown-Bland

FROM: Donald R. Hoover, Director DRH
Operations Division

The Operations Division hereby presents for your consideration the *Quarterly Review* for the calendar quarter ending March 31, 2009. Such report, which has been prepared by the Operations Division, presents an overview of selected financial and operational information and data for 15 major investor-owned public utilities regulated by the Commission.

Should you have questions concerning the report, Freda Hilburn, Bliss Kite, or I will be pleased to be of assistance.

Thank you for your consideration.

DRH/FHH/BBK/kah

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Table of Contents

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

To a vast extent the information presented herein is organized into individual company overviews. The data presented covers a period of five years, except for one natural gas company (Piedmont) for which only four years of data is available as a result of a consolidation in 2005 of three regulated entities into one. From a general viewpoint, the individual company overviews, excluding to a certain extent those of the price regulated telephone companies, for which information is strictly limited, provide information that users of this report will find helpful from the standpoint of gaining insight into each company's jurisdictional financial standing and in acquiring a sense of the magnitude of each company's overall jurisdictional economic dimension.

Significant changes have taken place with regard to reporting requirements for the price regulated telephone companies, effective for reporting periods beginning with calendar year 2003, as a result of further relaxed regulation of the telecommunications industry. Due to these changes, the financial and operational data submitted to the Commission by such companies are significantly less comprehensive than that previously provided.

The aforementioned reporting requirement changes for the price regulated telephone companies were implemented by Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, in response to passage of Senate Bill 814 (An Act to Clarify the Law Regarding Competitive and Deregulated Offerings of Telecommunications Services), and as previously indicated, were effective for reporting periods beginning with calendar year 2003. Specifically, in the present regard, the April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the TS-1 Report previously submitted annually by the price regulated telephone companies. Consequently, beginning with the 4th quarter 2003 *Quarterly Review*, which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided. Further, the information provided by the eight price regulated telephone companies is presented on a total North Carolina combined basis, including both their regulated and nonregulated operations, as that is what is now being provided to the Commission.

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

A Specific Objective

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

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

The reasonable return component of the cost of service equation refers to the overall rate of return related to investment funded by all investors, including debt investors as well as preferred and common equity investors. The costs of debt capital and preferred stock, which are essentially fixed by contract, must be deducted from revenue, like all other components of the cost of service, in determining income available for distribution to common stockholders. Therefore, generally speaking, a very meaningful measure of the profitability of any utility, and consequently the reasonableness of its overall rates and charges, is the return earned on its common shareholders' investment, i.e., its return on common equity, over some specified period of time. Typically, such returns are measured over a period of one year. Thus, annual returns on common equity and certain other key financial ratios, which among other things give significant perspective to the common equity returns, are the focal points of this report.

The Key Financial Ratios

Specifically, the key financial ratios presented herein for use in reviewing the companies' financial viabilities, including their profitability and consequently the *reasonableness of their rates and charges are (1) the return on common equity, (2) the common* equity capitalization ratio, (3) the pretax 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 Pretax Interest Coverage Ratio

The pretax 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. Pretax 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 pretax 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 an historical test period. 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 ratemaking 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 Seven Selected Companies For The Twelve Months Ended March 31, 2009 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Debt Ratios — And Certain Rate Case Data***

- ***Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By Public Utilities Reports, Volume Nos. 265-274 from May 2008 Through August 2009***

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

"Estimated Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Debt Ratios are for Twelve Months Ended March 31, 2009, Except for Certain Telecommunications Companies - See Note [1]"

"Rate Case Data are from Orders with Various Issue Dates as Indicated in Column (i)"

		Estimated for 12 Months Ended 03/31/09				*Authorized - Last Rate Case*			
Line No.	Item (a)	Return On Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Debt Ratio (e)	*Return On Equity (f)*	*Overall Rate of Return (g)*	*Equity Ratio (h)*	*Date of Last Order (i)*
	Electric Companies								
1.	Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.	11.77%	9.09%	54.82%	44.45%	*12.75%*	*10.45%*	*44.00%*	*08/05/1988*
2.	Duke Energy Carolinas, LLC	9.79%	7.78%	51.66%	48.34%	*11.00%*	*8.57%*	*53.00%*	*12/20/2007*
3.	Virginia Electric and Power Company, d/b/a Dominion North Carolina Power	6.05%	5.77%	50.12%	47.36%	*N/A*	*N/A*	*N/A*	*03/18/2005*
	Natural Gas Local Distribution Companies								
4.	Piedmont Natural Gas Company, Inc.	11.95%	8.52%	45.98%	54.02%	*10.60%*	*8.55%*	*51.00%*	*10/24/2008*
5.	Public Service Company of North Carolina, Inc.	11.06%	8.16%	49.33%	50.67%	*10.60%*	*8.54%*	*54.00%*	*10/24/2008*
	Telecommunications Companies								
	Rate of Return Regulated Companies								
6.	Citizens Telephone Company	6.11%	6.11%	100.00%	0.00%	*12.70%*	*10.11%*	*44.95%*	*02/26/1991*
7.	LEXCOM Telephone Company	18.65%	18.65%	100.00%	0.00%	*16.25%*	*12.77%*	*37.22%*	*06/14/1982*
	Price Plan Regulated Companies	— Data is not available. See Note [1] —							
8.	BellSouth Telecommunications, Inc., d/b/a AT&T North Carolina								
9.	Carolina Telephone and Telegraph Company LLC								
10.	Central Telephone Company								
11.	Mebtel, Inc., d/b/a CenturyTel								
12.	North State Telephone Company, d/b/a North State Communications								
13.	Verizon South Inc.								
14.	Windstream Concord Telephone, Inc.								
15.	Windstream North Carolina, LLC								

NOTES:

[1] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings and certain other data for the price regulated telephone companies are no longer provided.

[2] N/A denotes that the data is not available.

[3] In its March 18, 2005 Order Approving Stipulation, in Docket No. E-22, Sub 412, the Commission did not make certain determinations with respect to Dominion North Carolina Power's (Dominion's) capital structure and rates of return. The Commission concluded that the stipulation presented an appropriate resolution of the contested matters in the rate case proceeding and resulted in just and reasonable rates for Dominion, without making specific findings regarding rate base, operating revenues and expenses, the overall rate of return, and the return on common equity.

[4] Pursuant to the Commission's December 20, 2007 Order in Docket No. E-7, Sub 828, all North Carolina jurisdictional reporting and accounting for Duke Energy Carolinas, LLC - Nantahala Area is consolidated with Duke Energy Carolinas, LLC.

***NOTES** - continued*

NOTES: [5] Selected financial market indicators from "Moody's Credit Trends" updated on October 8, 2009 follow:

Part I

		U.S. Treasury Securities			Dealer-Placed	Moody's Long-Term
		3-Month Bill	10-Year Note	30-Year Bond	3-Month CP	Corporate Bond Yield
Line No.	Date	%	%	%	%	%
	(a)	(b)	(c)	(d)	(e)	(f)
1.	October 7, 2009	0.09	3.21	3.99	0.35	5.46
2.	October 6, 2009	0.08	3.27	4.07	ND	5.53
3.	October 5, 2009	0.08	3.24	4.01	ND	5.51
4.	October 2, 2009	0.10	3.24	4.01	ND	5.49
5.	October 1, 2009	0.10	3.21	3.97	ND	5.43
6.	Month of September 2009	0.12	3.40	4.19	0.39	5.61
7.	Month of August 2009	0.17	3.59	4.37	0.56	5.83

Part II

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

			Past 12 Months		Monthly Average	
Line No.	Rating	10/08/2009 [6]	High	Low	Oct. 2009	Sept. 2009
	(a)	(b)	(c)	(d)	(e)	(f)
1.	Aa	5.19	6.83	5.10	5.10	5.15
2.	A	5.47	7.60	5.40	5.40	5.53
3.	Baa	6.06	8.98	6.00	6.00	6.12

[6] Most recent data available when this edition of the *Quarterly Review* was prepared. According to "Moody's Credit Trends", updated on October 9, 2009, such long-term bond yield averages are derived from pricing data on a regularly-replenished population of nearly 90 seasoned corporate bonds in the United States market, each with current outstandings over $100 million. Further, the bonds have maturities as close as possible to 30 years; bonds are dropped from the list if their remaining life falls below 20 years or if their ratings change.

[7] In previous *Quarterly Review* reports, the Commission has reported certain limited information pertaining to new bond offerings by public utilities; however, such information is no longer published in "Moody's Credit Trends". Consequently, such information is not being reported at this time.

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. 265-274, from May 2008 through August 2009**
(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns Common Equity (b)		Overall (c)	Date Of Order (d)	Volume No. *Public Utilities Reports* (e)
	Electric Companies					
1.	Hawaiian Electric Company, Inc. (HI)	10.70%		8.66%	05/01/2008	Volume 265
2.	Consumers Energy Company (MI)	10.70%		6.93%	06/10/2008	Volume 265
3.	*Orange and Rockland Utilities, Inc. (NY)*	*9.40%*	*[1]*	*N/A*	*07/23/2008*	*Volume 266*
4.	Rocky Mountain Power (UT)	10.25%		8.29%	08/11/2008	Volume 267
5.	NorthWestern Energy (MT)	N/A		7.04%	07/08/2008	Volume 267
6.	The Empire District Electric Company (MO)	10.80%		N/A	08/09/2008	Volume 267
7.	Commonwealth Edison Company (IL)	10.30%		8.36%	09/10/2008	Volume 268
8.	Tuscon Electric Power Company (AZ)	10.25%		8.03%	12/01/2008	Volume 270
9.	The Detroit Edison Company (MI)	11.00%		7.16%	12/23/2008	Volume 270
10.	Public Service Company of Oklahoma (OK)	10.50%		8.31%	01/14/2009	Volume 270
11.	Atlanta Power Company (ID)	12.00%		11.52%	12/19/2008	Volume 271
12.	The United Illuminating Company (CT)	8.75%		7.59%	02/04/2009	Volume 271
13.	Northern States Power Company (ND)	10.75%	[2]	N/A	01/14/2009	Volume 271
14.	Union Electric Company, d/b/a AmerenUE (MO)	10.76%		N/A	02/06/2009	Volume 271
15.	Tampa Electric Company (FL)	11.25%		8.11%	04/30/2009	Volume 273
16.	Indiana Michigan Power Company (IN)	10.50%		7.62%	03/04/2009	Volume 273
17.	Central Hudson Gas & Electric Corporation (NY)	10.00%		7.28%	06/22/2009	Volume 274
	Natural Gas Local Distribution Companies					
18.	Duke Energy Ohio, Inc. (OH)	N/A		8.45%	05/28/2008	Volume 265
19.	NorthWestern Energy (MT)	N/A		7.59%	07/08/2008	Volume 267
20.	St. Joe Natural Gas Company, Inc. (FL)	11.00%		N/A	08/01/2008	Volume 267
21.	Chesapeake Utilities Corporation (DE)	10.25%		8.90%	09/02/2008	Volume 268
22.	Atmos Energy Corporation (GA)	10.70%		7.75%	09/17/2008	Volume 268
23.	Piedmont Natural Gas Company, Inc. (NC)	10.60%		8.55%	10/24/2008	Volume 269
24.	Southwest Gas Corporation (AZ)	10.00%		N/A	12/24/2008	Volume 270
25.	New England Gas Company (MA)	10.05%		7.74%	02/02/2009	Volume 271

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. 265-274, from May 2008 through August 2009**
(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns: Common Equity (b)		Authorized Returns: Overall (c)	Date Of Order (d)	Volume No. *Public Utilities Reports* (e)
	Natural Gas Local Distribution Companies (continued)					
26.	Narragansett Electric, d/b/a National Grid (RI)	10.50%		N/A	01/29/2009	Volume 272
27.	Northern Illinois Gas Company, d/b/a Nicor Gas Company (IL)	10.11%		7.58%	03/25/2009	Volume 272
28.	Illinois Gas Company (IL)	10.94%		7.81%	05/13/2009	Volume 273
29.	EnergyNorth Natural Gas, Inc., d/b/a National Grid NH (NH)	9.54%		N/A	05/29/2009	Volume 273
30.	Peoples Gas System (FL)	10.75%		8.50%	06/09/2009	Volume 274
31.	Central Hudson Gas & Electric Corporation (NY)	10.00%		7.28%	06/22/2009	Volume 274
32.	Connecticut Natural Gas Corporation (CT)	9.31%		7.92%	06/30/2009	Volume 274
	Water Companies					
33.	Tennessee American Water Company (TN)	10.20%		7.89%	06/10/2008	Volume 267
34.	Ohio-American Water Company (OH)	10.88%		8.12%	11/12/2008	Volume 269
35.	Return on Common Equity for Water and Wastewater Utilities (FL)	[3]		N/A	12/31/2008	Volume 271
36.	California Water Service Company (CA)	10.20%	[4]	8.58%	05/07/2009	Volume 272
37.	California-American Water Company (CA)	10.20%	[4]	8.04%	05/07/2009	Volume 272
38.	Golden State Water Company (CA)	10.20%	[4]	8.90%	05/07/2009	Volume 272
39.	West Virginia-American Water Company (WV)	10.00%		8.10%	04/01/2009	Volume 273
40.	City of Waukesha Water Utility (WI)	7.04%	[5]	6.25%	06/05/2009	Volume 274

Notes:

[1] If the level of equity earnings over the life of the three-year rate plan is greater than 10.2% but less than or equal to 11.2%, the utility will share the earnings within that range equally with ratepayers. Equity earnings above 11.2% would be shared 75% with ratepayers and 25% with the utility.

[2] The settlement provides that if the utility earns in excess of 10.75% return on common equity during the 2009 and 2010 calendar years, the Company will refund to customers revenues corresponding to earnings as follows: 50% of earnings above 10.75% up to and including 11.25% and 75% of earnings above 11.25%.

[3] The Florida Public Service Commission's December 31, 2008 Order established an authorized range of returns on common equity (ROE) for water and wastewater utilities. The authorized range is based upon a leverage formula which, when applied, produces a range of authorized ROEs ranging from 9.48% at 100% equity to 12.67% at 40% equity. The ROE is capped at 12.67% for all water and wastewater utilities with equity ratios of less than 40%.

[4] In its May 7, 2009 Order, the California Public Utilities Commission established the base year 2009 ratemaking return on common equity of three, large, multi-district water utilities. Such proceeding was the first proceeding for the three utiliies in which the sole subject was cost of capital separated from a general rate case. In its Order, the Commission adopted an individual capital structure and weighted cost of capital for each of the utilities.

[5] The Applicant's capital employed in providing utility service that is associated with the net investment rate base is estimated to be 71.40% municipal equity and 28.60% long-term debt.

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

Part III

Overviews of Selected Financial and Operational Data by Utility:

- *Electric Companies*
  - *Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.*
  - *Duke Energy Carolinas, LLC*
  - *Virginia Electric and Power Company, d/b/a Dominion North Carolina Power*
- *Natural Gas Local Distribution Companies*
  - *Piedmont Natural Gas Company, Inc.*
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  - *North State Telephone Company, d/b/a North State Communications*
  - *Verizon South Inc.*
  - *Windstream Concord Telephone, Inc.*
  - *Windstream North Carolina, LLC*

CAROLINA POWER & LIGHT COMPANY, d/b/a
PROGRESS ENERGY CAROLINAS, INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts In Thousands)

Line No.	Item (a)	March 2009 (b)	March 2008 (c)	March 2007 (d)	March 2006 (e)	March 2005 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
1.	*Operating Revenue*	$3,244,804	$3,172,126	$2,955,146	$2,839,990	$2,628,411	5.41%	2.29%
2.	Operating Expenses:							
3.	Fuel	937,997	938,726	820,359	710,345	637,665	10.13%	-0.08%
4.	Purchased Power	238,646	195,769	222,698	237,903	222,905	1.72%	21.90%
5.	Maintenance	223,953	226,423	195,807	176,026	172,922	6.68%	-1.09%
6.	Other Operating Expenses	563,535	545,684	489,768	546,419	465,891	4.87%	3.27%
7.	Total Operating Expenses	1,964,131	1,906,602	1,728,632	1,670,693	1,499,383	6.98%	3.02%
8.	Depreciation & Amortization	378,540	409,513	443,601	445,201	460,700	-4.79%	-7.56%
9.	Total Expenses & Depreciation	2,342,671	2,316,115	2,172,233	2,115,894	1,960,083	4.56%	1.15%
10.	Total Operating Taxes	411,201	385,319	362,817	337,434	334,949	5.26%	6.72%
11.	Total Expenses, Depr. & Taxes	2,753,872	2,701,434	2,535,050	2,453,328	2,295,032	4.66%	1.94%
12.	Operating Income	$490,932	$470,692	$420,096	$386,662	$333,379	10.16%	4.30%
13.	*Net Plant Investment*	$5,067,603	$4,763,758	$4,704,856	$4,702,157	$4,622,666	2.32%	6.38%
14.	Oper. Exp. as a % of Total Revenue	60.53%	60.10%	58.50%	58.83%	57.05%	1.49%	0.72%
15.	Net Plt. Investment per $ of Revenue	$1.56	$1.50	$1.59	$1.66	$1.76	-2.97%	4.00%
16.	Number of Customers Served (000s included):							
17.	Residential	1,089,501	1,073,792	1,051,685	1,028,351	1,003,875	2.07%	1.46%
18.	Commercial	189,403	189,156	186,657	183,467	178,690	1.47%	0.13%
19.	Industrial	4,059	3,417	3,494	3,541	3,611	2.97%	18.79%
20.	Other	1,845	1,895	1,978	2,064	2,132	-3.55%	-2.64%
21.	Total Number of Customers	1,284,808	1,268,260	1,243,814	1,217,423	1,188,308	1.97%	1.30%
22.	*Annual Sales Volume: (Millions kWh)*							
23.	Residential	15,252	14,951	14,435	14,259	13,793	2.55%	2.01%
24.	Commercial	12,195	12,253	11,787	11,542	11,290	1.95%	-0.47%
25.	Industrial	8,607	9,152	9,227	9,433	9,684	-2.90%	-5.95%
26.	Other	1,652	2,501	2,044	2,798	2,430	-9.20%	-33.95%
27.	Total Sales	37,706	38,857	37,493	38,032	37,197	0.34%	-2.96%
28.	Estimated Overall Rate of Return	9.09%	8.07%	7.58%	7.56%	7.00%	6.75%	12.64%
29.	Estimated Return on Common Equity	11.77%	10.14%	9.42%	9.49%	8.13%	9.69%	16.07%
30.	Common Equity Ratio	54.82%	50.36%	46.91%	47.60%	50.82%	1.91%	8.86%
31.	Debt Ratio	44.45%	48.83%	52.24%	51.51%	48.26%	-2.03%	-8.97%
32.	Estimated Pretax Interest Coverage Ratio (Times)	5.19	4.06	3.58	3.74	3.86	7.68%	27.83%

33. **LAST RATE CASE** (Docket No. E-2, Sub 537) — 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 ENERGY CAROLINAS, LLC
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended March 2009 (b)	March 2008 (c)	March 2007 (d)	March 2006 (e)	March 2005 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue	$4,088,819	$4,075,878	$3,759,615	$3,621,177	$3,484,969	4.08%	0.32%
2.	Operating Expenses:							
3.	Fuel	1,108,323	1,000,273	887,442	698,728	640,212	14.71%	10.80%
4.	Purchased Power	182,556	136,857	105,506	52,807	131,758	8.49%	33.39%
5.	Maintenance	397,636	362,997	330,223	332,588	325,733	5.11%	9.54%
6.	Other Operating Expenses	745,332	672,924	686,608	686,522	600,427	5.55%	10.76%
7.	Total Operating Expenses	2,433,847	2,173,051	2,009,779	1,770,645	1,698,130	9.42%	12.00%
8.	Depreciation & Amortization	501,416	681,080	687,012	737,452	729,862	-8.96%	-26.38%
9.	Total Expenses & Depreciation	2,935,263	2,854,131	2,696,791	2,508,097	2,427,992	4.86%	2.84%
10.	Total Operating Taxes	503,206	505,992	442,690	486,479	465,381	1.97%	-0.55%
11.	Total Expenses, Depr. & Taxes	3,438,469	3,360,123	3,139,481	2,994,576	2,893,373	4.41%	2.33%
12.	Operating Income	$650,350	$715,755	$620,134	$626,601	$591,596	2.40%	-9.14%
13.	Net Plant Investment	$9,667,557	$9,044,715	$8,650,350	$8,221,001	$8,022,004	4.78%	6.89%
14.	Oper. Exp. as a % of Total Revenue	59.52%	53.31%	53.46%	48.90%	48.73%	5.13%	11.65%
15.	Net Plt. Investment per $ of Revenue	$2.36	$2.22	$2.30	$2.27	$2.30	0.65%	6.31%
16.	Number of Customers Served (000s included):							
17.	Residential	1,571,004	1,559,571	1,467,777	1,435,614	1,407,972	2.78%	0.73%
18.	Commercial	247,268	247,533	237,690	233,878	228,958	1.94%	-0.11%
19.	Industrial	5,552	5,425	5,469	5,591	5,651	-0.44%	2.34%
20.	Other	10,584	10,337	10,307	9,867	10,475	0.26%	2.39%
21.	Total Number of Customers	1,834,408	1,822,866	1,721,243	1,684,950	1,653,056	2.64%	0.63%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	21,111	21,086	19,425	19,102	18,517	3.33%	0.12%
24.	Commercial	21,543	21,689	20,409	19,771	19,532	2.48%	-0.67%
25.	Industrial	12,824	14,193	14,232	14,884	15,229	-4.21%	-9.65%
26.	Other	2,220	2,292	1,133	485	994	22.25%	-3.14%
27.	Total Sales	57,698	59,260	55,199	54,242	54,272	1.54%	-2.64%
28.	Estimated Overall Rate of Return	7.78%	8.56%	8.39%	9.10%	9.15%	-3.97%	-9.11%
29.	Estimated Return on Common Equity	9.79%	10.87%	10.92%	12.55%	12.73%	-6.35%	-9.94%
30.	Common Equity Ratio	51.66%	54.81%	52.00%	52.80%	53.88%	-1.05%	-5.75%
31.	Debt Ratio	48.34%	45.19%	48.00%	45.70%	44.62%	2.02%	6.97%
32.	Estimated Pretax Interest Coverage Ratio (Times)	3.99	4.51	4.16	5.44	5.98	-9.62%	-11.53%

33. **LAST RATE CASE** (Docket No. E-7, Sub 828) — Authorized Returns: Common Equity 11.00%, Overall 8.57%; Equity Ratio: 53.00%; Date of Order: 12-20-07

Notes:
[1] North Carolina retail jurisdictional revenue equates to 70% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.
[4] The estimated ROE impacts of the BPM net revenues under the sharing arrangement approved in Docket No. E-7, Sub 751 are as follows for the 12-month periods ending March 31st: 2009 - N/A; 2008 - 0.15%; 2007 - 0.33%; 2006 - 1.06%; and 2005 - 0.38%. Such impacts are not included in the estimated ROEs presented on Line 29 above. Pursuant to the Commission's final Order in Docket No. E-7, Sub 828, effective January 1, 2008, 90% of the North Carolina retail BPM Net Revenues earned after December 31, 2007, are now included in the North Carolina retail cost of service for ratemaking and reporting purposes.
[5] Columns (b) and (c) reflect that, pursuant to the Commission's December 20, 2007 Order in Docket No. E-7, Sub 828, all North Carolina jurisdictional reporting and accounting for Duke Energy Carolinas, LLC - Nantahala Area is consolidated with Duke Energy Carolinas, LLC.

VIRGINIA ELECTRIC AND POWER COMPANY, d/b/a
DOMINION NORTH CAROLINA POWER
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended March 2009 (b)	March 2008 (c)	March 2007 (d)	March 2006 (e)	March 2005 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue	$315,163	$316,749	$295,046	$284,691	$286,270	2.43%	-0.50%
2.	Operating Expenses:							
3.	Fuel	52,781	79,303	74,807	62,236	62,908	-4.29%	-33.44%
4.	Purchased Power	101,328	87,479	76,852	80,618	53,590	17.26%	15.83%
5.	Maintenance	0	0	0	0	0	N/A	N/A
6.	Other Operating Expenses	70,322	68,088	60,671	53,014	56,126	5.80%	3.28%
7.	Total Operating Expenses	224,431	234,870	212,330	195,868	172,624	6.78%	-4.44%
8.	Depreciation & Amortization	33,419	28,682	25,712	25,711	27,923	4.59%	16.52%
9.	Total Expenses & Depreciation	257,850	263,552	238,042	221,579	200,547	6.48%	-2.16%
10.	Total Operating Taxes	29,550	27,555	30,705	27,150	38,180	-6.20%	7.24%
11.	Total Expenses, Depr. & Taxes	287,400	291,107	268,747	248,729	238,727	4.75%	-1.27%
12.	Operating Income	$27,763	$25,642	$26,299	$35,962	$47,543	-12.58%	8.27%
13.	Net Plant Investment	$614,559	$583,437	$599,200	$597,360	$589,516	1.05%	5.33%
14.	Oper. Exp. as a % of Total Revenue	71.21%	74.15%	71.97%	68.80%	60.30%	4.25%	-3.96%
15.	Net Plt. Investment per $ of Revenue	$1.95	$1.84	$2.03	$2.10	$2.06	-1.36%	5.98%
16.	Number of Customers Served (000s included):							
17.	Residential	100,859	100,330	99,538	99,114	97,825	0.77%	0.53%
18.	Commercial	15,466	15,465	15,399	15,388	15,314	0.25%	0.01%
19.	Industrial	59	60	67	69	72	-4.86%	-1.67%
20.	Other	2,272	2,262	2,238	2,247	2,250	0.24%	0.44%
21.	Total Number of Customers	118,656	118,117	117,242	116,818	115,461	0.68%	0.46%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,605	1,547	1,512	1,525	1,502	1.67%	3.75%
24.	Commercial	812	807	785	771	773	1.24%	0.62%
25.	Industrial	1,608	1,755	1,745	1,747	1,786	-2.59%	-8.38%
26.	Other	148	148	145	148	152	-0.66%	0.00%
27.	Total Sales	4,173	4,257	4,187	4,191	4,213	-0.24%	-1.97%
28.	Estimated Overall Rate of Return	5.77%	5.35%	5.37%	7.22%	9.81%	-12.43%	7.85%
29.	Estimated Return on Common Equity	6.05%	5.03%	5.00%	8.85%	14.53%	-19.67%	20.28%
30.	Common Equity Ratio	50.12%	52.28%	52.19%	48.55%	47.78%	1.20%	-4.13%
31.	Debt Ratio	47.36%	41.78%	41.76%	45.25%	45.75%	0.87%	13.36%
32.	Estimated Pretax Interest Coverage Ratio (Times)	3.12	3.13	3.49	3.69	5.78	-14.29%	-0.32%

33. **LAST RATE CASE** (Docket No. E-22, Sub 412) — Authorized Returns: Common Equity - N/A, Overall - N/A; Equity Ratio: N/A; Date of Order: 03-18-05

Notes:
[1] North Carolina retail jurisdictional revenue equates to 4% 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.*

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

Line No.	Item (a)	12 Months Ended March 2009 (b)	March 2008 (c)	March 2007 (d)	March 2006 (e)	Annual Growth Rate Three Year (f)	Annual Growth Rate Current Year (g)
1.	Operating Revenue:						
2.	Residential	$577,732	$517,709	$523,091	$575,675	0.18%	11.59%
3.	Commercial	352,030	297,814	291,875	338,632	1.96%	18.20%
4.	Industrial	86,325	110,598	96,764	130,815	-18.77%	-21.95%
5.	Public Authorities	265	398	391	435	-21.95%	-33.42%
6.	Other	84,953	88,533	81,815	89,825	-2.75%	-4.04%
7.	Total Operating Revenue	1,101,305	1,015,052	993,936	1,135,382	-1.51%	8.50%
8.	Cost of Gas	722,367	653,514	643,959	783,828	-4.00%	10.54%
9.	*Margin*	378,938	361,538	349,977	351,554	3.82%	4.81%
10.	O & M Expenses	146,941	151,426	149,394	147,236	-0.10%	-2.96%
11.	Other Deductions	124,436	111,943	108,198	111,126	5.82%	11.16%
12.	Operating Income	$107,561	$98,169	$92,385	$93,192	7.43%	9.57%
13.	Net Plant Investment	$1,571,515	$1,455,604	$1,396,253	$1,306,456	9.68%	7.96%
14.	Operating Exp. as a % of Margin	38.78%	41.88%	42.69%	41.88%	-3.77%	-7.40%
15.	Net Plt. Investment per $ of Margin	$4.15	$4.03	$3.99	$3.72	5.62%	2.98%
16.	Gas Delivered in DTs (000s omitted):						
17.	Residential	37,962	33,429	33,746	33,538	6.39%	13.56%
18.	Commercial	27,037	23,325	23,683	23,068	8.26%	15.91%
19.	Industrial	7,396	11,115	9,700	11,142	-18.53%	-33.46%
20.	Public Authorities	18	30	30	30	-22.54%	-40.00%
21.	Other	93,568	91,117	83,416	75,189	11.55%	2.69%
22.	Total DTs	165,981	159,016	150,575	142,967	7.75%	4.38%
23.	Number of Customers (000s included):						
24.	Residential	604,089	600,257	587,477	571,321	2.83%	0.64%
25.	Commercial	65,165	64,541	64,169	63,637	1.19%	0.97%
26.	Industrial	1,162	1,757	1,759	1,793	-19.50%	-33.86%
27.	Public Authorities	473	571	571	571	-8.99%	-17.16%
28.	Other	536	545	556	578	-3.70%	-1.65%
29.	*Total Number of Customers*	671,425	667,671	654,532	637,900	2.59%	0.56%
30.	Estimated Overall Rate of Return	8.52%	8.34%	8.39%	8.89%	-2.10%	2.16%
31.	Estimated Return on Common Equity	11.95%	10.35%	10.24%	11.00%	4.23%	15.46%
32.	Common Equity Ratio	45.98%	48.16%	48.97%	53.28%	-7.10%	-4.53%
33.	Debt Ratio	54.02%	51.84%	51.03%	46.72%	7.53%	4.21%
34.	Estimated Pretax Interest Coverage Ratio (Times)	4.01	3.47	3.44	4.20	-2.29%	15.56%

35. *LAST RATE CASE* (Docket No. G-9, Sub 550) — *Authorized Returns: Common Equity 10.60%, Overall 8.55%; Equity Ratio: 51.00%; Date of Order: 10-24-08*

Notes:

[1] North Carolina retail jurisdictional revenue equates to approximately 69% 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] In its November 3, 2005 *Order Approving Partial Rate Increase and Requiring Conservation Initiative*, in Docket No. G-9, Sub 499, the Commission authorized the consolidation of the operations, revenues, rate bases, and expenses of North Carolina Natural Gas, Piedmont Natural Gas Company, Inc., and Eastern North Carolina Natural Gas into a single regulated entity. Consequently, effective with the December 2005 NCUC GS-1 Report, financial and operational information for Piedmont Natural Gas Company, Inc., North Carolina Natural Gas, and Eastern North Carolina Gas are reported as one consolidated entity under the name, Piedmont Natural Gas Company, Inc. and consequently, comparisons to prior years are not meaningful.

[5] Columns (c) and (d) have been revised from those previously reported in the Commission's *Quarterly Review*, for the quarter ending March 31, 2008, issued on November 5, 2008, to reflect corrected purchased gas costs, as provided by Piedmont on March 18, 2009. Such revisions primarily result from Piedmont's modification of its methodology for extracting revenues and costs associated with secondary market activities.

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

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Jurisdiction
(Amounts In Thousands)

Line		12 Months Ended					Annual Growth Rate	
		March	March	March	March	March	Four	Current
No.	Item	2009	2008	2007	2006	2005	Year	Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Residential	$410,616	$374,338	$344,397	$380,466	$320,720	6.37%	9.69%
3.	Commercial	176,863	161,591	156,551	193,177	154,334	3.47%	9.45%
4.	Industrial	40,480	44,265	26,026	39,055	12,706	33.60%	-8.55%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	7	3	11	7	10	-8.53%	133.33%
7.	Other	28,028	30,567	37,306	54,215	48,599	-12.86%	-8.31%
8.	Total Operating Revenue	655,994	610,764	564,291	666,920	536,369	5.16%	7.41%
9.	Cost of Gas	440,753	408,012	373,506	488,099	360,304	5.17%	8.02%
10.	Margin	215,241	202,752	190,785	178,821	176,065	5.15%	6.16%
11.	O & M Expenses	84,422	84,986	81,400	79,338	79,521	1.51%	-0.66%
12.	Other Deductions	69,371	62,617	59,839	57,879	54,652	6.14%	10.79%
13.	Operating Income	$61,448	$55,149	$49,546	$41,604	$41,892	10.05%	11.42%
14.	Net Plant Investment	$771,109	$725,691	$666,207	$617,320	$591,446	6.86%	6.26%
15.	Operating Exp. as a % of Margin	39.22%	41.92%	42.67%	44.37%	45.17%	-3.47%	-6.44%
16.	Net Plt. Investment per $ of Margin	$3.58	$3.58	$3.49	$3.45	$3.36	1.60%	0.00%
17.	Gas Delivered in DTs (000s omitted):							
18.	Residential	27,098	23,864	23,543	23,062	23,864	3.23%	13.55%
19.	Commercial	13,622	12,632	13,047	14,169	14,242	-1.11%	7.84%
20.	Industrial	3,658	4,467	2,829	2,889	1,446	26.12%	-18.11%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22	Resale	0	0	1	1	1	N/A	N/A
23.	Other	28,902	28,959	29,595	27,465	29,908	-0.85%	-0.20%
24.	Total DTs	73,280	69,922	69,015	67,586	69,461	1.35%	4.80%
25.	Number of Customers (000s included):							
26.	Residential	428,549	420,388	405,910	389,055	375,214	3.38%	1.94%
27.	Commercial	39,904	39,753	39,319	38,871	38,471	0.92%	0.38%
28.	*Industrial*	*189*	*214*	226	*61*	*49*	*40.14%*	*-11.68%*
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30	Resale	2	2	2	3	3	-9.64%	0.00%
31.	Other	458	437	428	378	396	3.70%	4.81%
32.	Total Number of Customers	469,102	460,794	445,885	428,368	414,133	3.16%	1.80%
33.	Estimated Overall Rate of Return	8.16%	7.92%	7.66%	7.39%	7.59%	1.83%	3.03%
34.	Estimated Return on Common Equity	11.06%	9.27%	8.62%	8.08%	8.61%	6.46%	19.31%
35.	Common Equity Ratio	49.33%	49.15%	49.27%	51.10%	50.48%	-0.57%	0.37%
36.	Debt Ratio	50.67%	50.85%	50.73%	48.90%	49.52%	0.58%	-0.35%
37.	Estimated Pretax Interest Coverage Ratio (Times)	4.21	3.16	2.99	3.07	3.18	7.27%	33.23%

38. **LAST RATE CASE** (Docket No. G-5, Sub 495) — Authorized Returns: Common Equity 10.60%, Overall 8.54%; Equity Ratio: 54.00%; Date of Order: 10-24-08

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.

BELLSOUTH TELECOMMUNICATIONS, INC., d/b/a
AT&T NORTH CAROLINA
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended December 2008 (b)	December 2007 (c)	December 2006 (d)	December 2005 (e)	December 2004 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	$658,202	$708,589	$750,891	$789,411	$846,870	-6.11%	-7.11%
3.	Network Access	432,470	418,990	427,154	510,471	512,073	-4.14%	3.22%
4.	Long Distance Message	26,053	26,993	24,017	26,283	22,747	3.45%	-3.48%
5.	*Miscellaneous*	*317,476*	*329,795*	*333,385*	*245,987*	*221,007*	9.48%	-3.74%
6.	Uncollectibles	(22,713)	(20,085)	(23,209)	(17,871)	(26,672)	-3.94%	13.08%
7.	Total Operating Revenue	1,411,488	1,464,282	1,512,238	1,554,281	1,576,025	-2.72%	-3.61%
8.	Operating Expenses	618,174	592,277	777,295	785,634	763,606	-5.14%	4.37%
9.	Depreciation & Amortization	409,526	453,593	415,783	421,824	436,997	-1.61%	-9.72%
10.	Total Operating Taxes	155,618	159,885	108,514	130,897	140,534	2.58%	-2.67%
11.	Total Expenses, Depr. & Taxes	1,183,318	1,205,755	1,301,592	1,338,355	1,341,137	-3.08%	-1.86%
12.	Operating Income	$228,170	$258,527	$210,646	$215,926	$234,888	-0.72%	-11.74%
13.	Net Telecommunications Plant	$1,739,174	$1,886,528	$2,110,865	$2,218,785	$2,312,145	-6.87%	-7.81%
14.	Oper. Exp. as a % of Total Revenue	43.80%	40.45%	51.40%	50.55%	48.45%	-2.49%	8.28%
15.	Net Telecomm. Plt. per $ of Revenue	$1.23	$1.29	$1.40	$1.43	$1.47	-4.36%	-4.65%

Notes: [1] BellSouth Telecommunications, Inc. elected price regulation in June 1996. On December 29, 2006, the merger between AT&T Inc. and BellSouth Corporation was completed; consequently, at the holding company level, BellSouth Telecommunications, Inc. adopted the AT&T brand name for its products and services. While BellSouth Telecommunications, Inc. will remain a corporate entity certificated in North Carolina, BellSouth is doing business as AT&T North Carolina.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2008 - $3,581,000; 2007 - $1,556,000; 2006 - $5,280,000; 2005 - $8,374,000; and 2004 - $7,630,000.

CAROLINA TELEPHONE AND TELEGRAPH COMPANY LLC
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts in Thousands)

Line No.	Item	12 Months Ended December 2008	December 2007	December 2006	December 2005	December 2004	Annual Growth Rate Four Year	Current Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Basic Local Service	$332,818	$344,580	$358,259	$376,281	$397,964	-4.37%	-3.41%
3.	Network Access	244,664	246,659	278,006	284,709	298,888	-4.88%	-0.81%
4.	Long Distance Message	3,163	3,842	4,655	5,459	6,146	-15.30%	-17.67%
5.	Miscellaneous	225,106	225,434	179,227	169,894	163,799	8.27%	-0.15%
6.	Uncollectibles	(15,184)	(12,025)	(8,599)	(11,813)	(12,598)	4.78%	26.27%
7.	Total Operating Revenue	790,567	808,490	811,548	824,530	854,199	-1.92%	-2.22%
8.	Operating Expenses	392,485	431,514	444,969	445,657	459,569	-3.87%	-9.04%
9.	Depreciation & Amortization	124,233	119,120	117,925	116,747	110,084	3.07%	4.29%
10.	Total Operating Taxes	110,789	102,982	97,514	105,954	113,408	-0.58%	7.58%
11.	Total Expenses, Depr. & Taxes	627,507	653,616	660,408	668,358	683,061	-2.10%	-3.99%
12.	Operating Income	$163,060	$154,874	$151,140	$156,172	$171,138	-1.20%	5.29%
13.	Net Telecommunications Plant	$842,224	$855,670	$856,004	$846,627	$846,614	-0.13%	-1.57%
14.	Oper. Exp. as a % of Total Revenue	49.65%	53.37%	54.83%	54.05%	53.80%	-1.99%	-6.97%
15.	Net Telecomm. Plt. per $ of Revenue	$1.07	$1.06	$1.05	$1.03	$0.99	1.96%	0.94%

Notes: [1] Carolina Telephone and Telegraph Company elected price regulation in June 1996. Effective November 15, 2007, Carolina Telephone and Telegraph Company was converted into a North Carolina limited liability company named Carolina Telephone and Telegraph Company LLC.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2008 - $16,173,000; 2007 - $28,543,000; 2006 - $29,368,000; 2005 - $33,444,000; and 2004 - $35,942,000.

CENTRAL TELEPHONE COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	Item	12 Months Ended December 2008	December 2007	December 2006	December 2005	December 2004	Annual Growth Rate Four Year	Current Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Basic Local Service	$75,189	$79,008	$83,081	$88,473	$94,075	-5.45%	-4.83%
3.	Network Access	45,175	45,829	52,643	54,503	56,879	-5.60%	-1.43%
4.	Long Distance Message	1,238	1,302	1,892	2,020	3,099	-20.50%	-4.92%
5.	Miscellaneous	43,026	41,075	32,741	31,132	30,091	9.35%	4.75%
6.	Uncollectibles	(2,660)	(2,722)	(1,617)	(2,186)	(2,218)	4.65%	-2.28%
7.	Total Operating Revenue	161,968	164,492	168,740	173,942	181,926	-2.86%	-1.53%
8.	Operating Expenses	87,451	92,476	97,759	98,066	99,372	-3.14%	-5.43%
9.	Depreciation & Amortization	37,538	36,036	36,868	44,695	44,237	-4.02%	4.17%
10.	Total Operating Taxes	13,973	13,919	12,200	11,887	12,587	2.65%	0.39%
11.	Total Expenses, Depr. & Taxes	138,962	142,431	146,827	154,648	156,196	-2.88%	-2.44%
12.	Operating Income	$23,006	$22,061	$21,913	$19,294	$25,730	-2.76%	4.28%
13.	Net Telecommunications Plant	$198,568	$213,679	$226,163	$239,649	$264,452	-6.91%	-7.07%
14.	Oper. Exp. as a % of Total Revenue	53.99%	56.22%	57.93%	56.38%	54.62%	-0.29%	-3.97%
15.	Net Telecomm. Plt. per $ of Revenue	$1.23	$1.30	$1.34	$1.38	$1.45	-4.03%	-5.38%

Notes: [1] Central Telephone Company elected price regulation in June 1996.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2008 - $3,284,000; 2007 - $8,016,000; 2006 - $5,240,000; 2005 - $5,060,000; and 2004 - $6,910,000.

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

Line No.	Item (a)	March 2009 (b)	March 2008 (c)	March 2007 (d)	March 2006 (e)	March 2005 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Basic Local Service	$5,073	$5,209	$5,261	$5,335	$5,868	-3.57%	-2.61%
3.	Network Access	4,222	4,548	4,315	4,162	3,772	2.86%	-7.17%
4.	Long Distance Message	842	482	1,244	1,232	1,089	-6.23%	74.69%
5.	Miscellaneous	1,146	1,121	1,100	1,146	1,115	0.69%	2.23%
6.	Uncollectibles	(19)	(14)	(11)	(10)	(14)	7.93%	35.71%
7.	Total Operating Revenue	11,264	11,346	11,909	11,865	11,830	-1.22%	-0.72%
8.	Operating Expenses	6,323	6,736	6,453	5,932	5,323	4.40%	-6.13%
9.	Depreciation & Amortization	2,841	2,779	2,765	2,717	2,592	2.32%	2.23%
10.	Total Operating Taxes	570	905	1,032	1,237	1,274	-18.21%	-37.02%
11.	Total Expenses, Depr. & Taxes	9,734	10,420	10,250	9,886	9,189	1.45%	-6.58%
12.	Operating Income	$1,530	$926	$1,659	$1,979	$2,641	-12.76%	65.23%
13.	Net Plant Investment	$28,370	$28,403	$28,391	$28,206	$27,260	1.00%	-0.12%
14.	Oper. Exp. as a % of Total Revenue	56.13%	59.37%	54.19%	50.00%	45.00%	5.68%	-5.46%
15.	Net Plt. Investment per $ of Revenue	$2.52	$2.50	$2.38	$2.38	$2.30	2.31%	0.80%
16.	Total Access Lines (000s included):							
17.	Residential	15,120	16,026	16,488	16,646	16,820	-2.63%	-5.65%
18.	Business	4,350	4,508	4,472	4,482	4,393	-0.25%	-3.50%
19.	Total Access Lines	19,470	20,534	20,960	21,128	21,213	-2.12%	-5.18%
20.	Estimated Overall Rate of Return	6.11%	3.70%	6.39%	7.68%	10.57%	-12.81%	65.14%
21.	Estimated Return on Common Equity	6.11%	3.70%	5.87%	7.43%	11.31%	-14.27%	65.14%
22.	Common Equity Ratio	100.00%	100.00%	87.65%	76.17%	74.31%	7.71%	0.00%
23.	Debt Ratio	0.00%	0.00%	12.35%	23.83%	25.69%	N/A	N/A
24.	*Estimated Pretax Interest Coverage* Ratio (Times)	N/A	N/A	8.02	5.96	7.07	N/A	N/A

25. **LAST RATE CASE** (Docket No. P-12, Sub 89) — Authorized Returns: Common Equity 12.70%, Overall 10.11%; Equity Ratio: 44.95%; Date of Order: 2-26-91

Notes:
[1] On December 1, 2008, the transfer of control of Citizens Telephone Company to Rock Hill Telephone Company, approved by Order issued November 13, 2008, in Docket No. P-12, Sub 109, was consummated.
[2] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 66% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[3] Net Plant Investment reflects net plant in service.
[4] Source of Data: NCUC TS-1 Reports.
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

LEXCOM TELEPHONE COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
Total Company Utility Operations
(Amounts In Thousands)

Line No.	Item (a)	March 2009 (b)	March 2008 (c)	March 2007 (d)	March 2006 (e)	March 2005 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Basic Local Service	$10,255	$10,781	$11,735	$12,641	$12,570	-4.96%	-4.88%
3.	Network Access	4,073	5,554	5,325	5,587	5,374	-6.70%	-26.67%
4.	Long Distance Message	113	127	145	170	158	-8.04%	-11.02%
5.	Miscellaneous	2,459	2,572	2,426	2,481	2,324	1.42%	-4.39%
6.	Uncollectibles	(426)	(430)	(228)	(237)	(296)	9.53%	-0.93%
7.	Total Operating Revenue	16,474	18,604	19,403	20,642	20,130	-4.89%	-11.45%
8.	Operating Expenses	6,257	8,996	7,497	6,661	6,913	-2.46%	-30.45%
9.	Depreciation & Amortization	3,136	2,865	3,761	4,287	3,464	-2.46%	9.46%
10.	Total Operating Taxes	2,744	2,850	4,529	5,134	5,870	-17.31%	-3.72%
11.	Total Expenses, Depr. & Taxes	12,137	14,711	15,787	16,082	16,247	-7.03%	-17.50%
12.	Operating Income	$4,337	$3,893	$3,616	$4,560	$3,883	2.80%	11.41%
13.	Net Plant Investment	$28,992	$30,253	$31,318	$34,017	$35,414	-4.88%	-4.17%
14.	Oper. Exp. as a % of Total Revenue	37.98%	48.36%	38.64%	32.27%	34.34%	2.55%	-21.46%
15.	*Net Plt. Investment per $ of Revenue*	*$1.76*	*$1.63*	*$1.61*	*$1.65*	*$1.76*	*0.00%*	*7.98%*
16.	Total Access Lines (000s included):							
17.	Residential	16,434	18,087	19,885	21,206	22,422	-7.47%	-9.14%
18.	Business	7,156	7,687	8,193	8,435	8,653	-4.64%	-6.91%
19.	Total Access Lines	23,590	25,774	28,078	29,641	31,075	-6.66%	-8.47%
20.	Estimated Overall Rate of Return	18.65%	15.74%	12.77%	15.13%	12.37%	10.81%	18.49%
21.	Estimated Return on Common Equity	18.65%	15.74%	12.99%	15.28%	12.48%	10.56%	18.49%
22.	Common Equity Ratio	100.00%	100.00%	97.88%	97.93%	97.60%	0.61%	0.00%
23.	Debt Ratio	0.00%	0.00%	2.12%	2.07%	2.40%	N/A	N/A
24.	Estimated Pretax Interest Coverage Ratio (Times)	N/A	N/A	461.33	188.28	156.13	N/A	N/A

25. **LAST RATE CASE** *(Docket No. P-31, Sub 110)* — 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.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.
[5] On December 11, 2008, in Docket No. P-31, Sub 145, LEXCOM filed a Petition for Approval of Price Plan Regulation and a Stipulation and Agreement between the Public Staff and LEXCOM related to such Petition. On April 22, 2009, the Commission issued an Order Approving Price Regulation Plan for implementation by LEXCOM effective no later than July 1, 2009. LEXCOM elected for its price regulation plan to become effective June 8, 2009.

MEBTEL, INC., d/b/a CENTURYTEL
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

		12 Months Ended					Annual Growth Rate	
Line No.	Item	December 2008	December 2007	December 2006	December 2005	December 2004	Four Year	Current Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Basic Local Service	$4,529	$4,790	$4,863	$4,918	$4,753	-1.20%	-5.45%
3.	Network Access	7,319	6,933	6,480	5,014	3,931	16.81%	5.57%
4.	Long Distance Message	74	76	73	71	107	-8.81%	-2.63%
5.	Miscellaneous	1,861	1,676	1,663	1,611	1,578	4.21%	11.04%
6.	Uncollectibles	(58)	7	(4)	(176)	(24)	N/A	N/A
7.	Total Operating Revenue	13,725	13,482	13,075	11,438	10,345	7.32%	1.80%
8.	Operating Expenses	6,518	7,986	5,841	5,860	5,120	6.22%	-18.38%
9.	Depreciation & Amortization	3,613	3,650	3,031	2,436	1,142	33.37%	-1.01%
10.	Total Operating Taxes	1,410	845	2,354	1,314	2,010	-8.48%	66.86%
11.	Total Expenses, Depr. & Taxes	11,541	12,481	11,226	9,610	8,272	8.68%	-7.53%
12.	Operating Income	$2,184	$1,001	$1,849	$1,828	$2,073	1.31%	118.18%
13.	Net Telecommunications Plant	$17,403	$19,380	$21,341	$22,393	$10,646	13.07%	-10.20%
14.	Oper. Exp. as a % of Total Revenue	47.49%	59.23%	44.67%	51.23%	49.49%	-1.03%	-19.82%
15.	*Net Telecomm. Plt. per $ of Revenue*	*$1.27*	*$1.44*	*$1.63*	*$1.96*	*$1.03*	5.38%	-11.81%

Notes: [1] Mebtel Communications elected price regulation in September 1999. Effective April 30, 2007, CenturyTel, Inc. acquired all the stock of Madison River Communications Corporation, the ultimate parent of Mebtel, Inc. and its affiliates, which affected the indirect transfer of control of each of these entities, including Mebtel, Inc., d/b/a Mebtel Communications, to CenturyTel, Inc. On December 1, 2008, CenturyTel, Inc. filed a letter with the Commission indicating that the incumbent local exchange company, Mebtel, Inc. is doing business under the name CenturyTel.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Report.

[4] *Net Telecommunications Plant reflects net plant for North Carolina regulated operations only, including plant under construction* as follows for the 12-month periods ending December 31st: 2008 - $797,686; 2007 - $821,831; 2006 - $536,834; 2005 - $1,052,185; and 2004 - $295,794.

[5] 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
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

		12 Months Ended					Annual Growth Rate	
Line No.	Item	December 2008	December 2007	December 2006	December 2005	December 2004	Four Year	Current Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Basic Local Service	$30,609	$32,946	$34,147	$35,625	$36,873	-4.55%	-7.09%
3.	Network Access	31,285	33,575	35,000	37,882	37,232	-4.26%	-6.82%
4.	Long Distance Message	854	904	1,021	1,354	1,444	-12.31%	-5.53%
5.	Miscellaneous	43,035	40,744	37,217	34,236	31,270	8.31%	5.62%
6.	Uncollectibles	(1,637)	(1,555)	(1,110)	(876)	(798)	19.68%	5.27%
7.	Total Operating Revenue	104,146	106,614	106,275	108,221	106,021	-0.45%	-2.31%
8.	Operating Expenses	63,756	64,555	61,672	62,113	58,444	2.20%	-1.24%
9.	Depreciation & Amortization	19,068	17,533	15,822	21,482	20,376	-1.64%	8.75%
10.	Total Operating Taxes	9,325	10,304	12,762	10,250	11,260	-4.60%	-9.50%
11.	Total Expenses, Depr. & Taxes	92,149	92,392	90,256	93,845	90,080	0.57%	-0.26%
12.	Operating Income	$11,997	$14,222	$16,019	$14,376	$15,941	-6.86%	-15.64%
13.	Net Telecommunications Plant	$133,317	$133,116	$124,413	$114,675	$116,270	3.48%	0.15%
14.	Oper. Exp. as a % of Total Revenue	61.22%	60.55%	58.03%	57.39%	55.12%	2.66%	1.11%
15.	Net Telecomm. Plt. per $ of Revenue	$1.28	$1.25	$1.17	$1.06	$1.10	3.86%	2.40%

Notes: [1] North State Communications elected price regulation in December 2002.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Reports.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations, including plant under construction as follows for the 12-month periods ending December 31st: 2008 - $9,858,815; 2007 - $6,983,609; 2006 - $6,493,809; 2005 - $2,851,674; and 2004 - $1,916,334.

VERIZON SOUTH INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	Item (a)	December 2008 (b)	December 2007 (c)	December 2006 (d)	December 2005 (e)	December 2004 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Basic Local Service	$98,276	$107,049	$111,919	$118,145	$124,187	-5.68%	-8.20%
3.	Network Access	102,239	104,293	105,858	112,867	119,511	-3.83%	-1.97%
4.	Long Distance Message	6,572	4,915	2,502	2,089	2,193	31.57%	33.71%
5.	Miscellaneous	33,324	33,216	33,100	29,234	37,205	-2.72%	0.33%
6.	Uncollectibles	(2,634)	1,636	(3,600)	(4,405)	(2,391)	N/A	N/A
7.	Total Operating Revenue	237,777	251,109	249,779	257,930	280,705	-4.06%	-5.31%
8.	Operating Expenses	149,341	136,861	128,848	149,029	169,316	-3.09%	9.12%
9.	Depreciation & Amortization	61,547	63,662	73,454	78,390	74,505	-4.66%	-3.32%
10.	Total Operating Taxes	15,021	17,719	14,799	8,689	(2,632)	N/A	-15.23%
11.	Total Expenses, Depr. & Taxes	225,909	218,242	217,101	236,108	241,189	-1.62%	3.51%
12.	Operating Income	$11,868	$32,867	$32,678	$21,822	$39,516	-25.97%	-63.89%
13.	Net Telecommunications Plant	$298,761	$324,977	$335,075	$365,007	$396,523	-6.83%	-8.07%
14.	Oper. Exp. as a % of Total Revenue	62.81%	54.50%	51.58%	57.78%	60.32%	1.02%	15.25%
15.	*Net Telecomm. Plt. per $ of Revenue*	$1.26	$1.29	$1.34	$1.42	$1.41	-2.77%	-2.33%

Notes: [1] Verizon South, Inc. elected price regulation in June 1996.
[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.
[3] Source of Data: Annual Report.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.
[5] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2008 - $206,889; 2007 - $2,307,401; 2006 - $2,068,101; 2005 - $1,426,199; and 2004 - $780,789.
[6] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

WINDSTREAM CONCORD TELEPHONE, INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended December 2008 (b)	December 2007 (c)	December 2006 (d)	December 2005 (e)	December 2004 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	$30,623	$36,222	$51,502	$50,128	$48,296	-10.77%	-15.46%
3.	Network Access	41,978	42,458	30,852	31,924	29,766	8.97%	-1.13%
4.	Long Distance Message	1,957	728	2,110	2,255	2,839	-8.88%	168.82%
5.	Miscellaneous	12,649	11,392	12,781	11,246	12,313	0.68%	11.03%
6.	Uncollectibles	(399)	(252)	(313)	(285)	(222)	15.79%	58.33%
7.	Total Operating Revenue	86,808	90,548	96,932	95,268	92,992	-1.71%	-4.13%
8.	Operating Expenses	47,179	67,250	52,103	50,025	46,291	0.48%	-29.85%
9.	Depreciation & Amortization	17,511	19,444	22,853	19,836	22,077	-5.63%	-9.94%
10.	Total Operating Taxes	6,301	198	7,894	7,933	10,193	-11.33%	3082.32%
11.	Total Expenses, Depr. & Taxes	70,991	86,892	82,850	77,794	78,561	-2.50%	-18.30%
12.	Operating Income	$15,817	$3,656	$14,082	$17,474	$14,431	2.32%	332.63%
13.	Net Telecommunications Plant	$55,804	$69,459	$82,404	$80,438	$83,704	-9.64%	-19.66%
14.	Oper. Exp. as a % of Total Revenue	54.35%	74.27%	53.75%	52.51%	49.78%	2.22%	-26.82%
15.	Net Telecomm. Plt. per $ of Revenue	$0.64	$0.77	$0.85	$0.84	$0.90	-8.17%	-16.88%

Notes: [1] Concord Telephone Company elected price regulation in June 1997. Due to the August 31, 2007 acquisition of CT Communications, Inc., the parent company of The Concord Telephone Company, Inc., by Windstream Corporation, effective on that same date, The Concord Telephone Company, Inc. changed its name to Windstream Concord Telephone, Inc.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] *Source of Data: Annual Report.*

[4] Net Telecommunications Plant reflects net plant in service for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: **2008** - $1,457,433; **2007** - $6,751,518; **2006** - $7,563,825; **2005** - $3,926,131; and **2004** - $3,557,940.

WINDSTREAM NORTH CAROLINA, LLC
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended December 2008 (b)	December 2007 (c)	December 2006 (d)	December 2005 (e)	December 2004 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	$62,899	$66,926	$70,624	$73,646	$72,927	-3.63%	-6.02%
3.	Network Access	56,596	62,849	65,326	64,125	60,130	-1.50%	-9.95%
4.	Long Distance Message	2,116	2,555	3,971	4,024	3,894	-14.14%	-17.18%
5.	Miscellaneous	15,971	18,013	18,373	15,993	16,469	-0.76%	-11.34%
6.	Uncollectibles	(1,415)	(1,029)	(547)	(1,135)	(1,242)	3.31%	37.51%
7.	Total Operating Revenue	136,167	149,314	157,747	156,653	152,178	-2.74%	-8.80%
8.	Operating Expenses	59,926	63,330	68,347	59,350	60,856	-0.38%	-5.38%
9.	Depreciation & Amortization	31,752	36,602	23,978	32,696	31,743	0.01%	-13.25%
10.	Total Operating Taxes	19,286	18,058	23,431	19,283	17,514	2.44%	6.80%
11.	Total Expenses, Depr. & Taxes	110,964	117,990	115,756	111,329	110,113	0.19%	-5.95%
12.	Operating Income	$25,203	$31,324	$41,991	$45,324	$42,065	-12.02%	-19.54%
13.	Net Telecommunications Plant	$234,089	$244,381	$253,564	$251,877	$255,558	-2.17%	-4.21%
14.	Oper. Exp. as a % of Total Revenue	44.01%	42.41%	43.33%	37.89%	39.99%	2.42%	3.77%
15.	Net Telecomm. Plt. per $ of Revenue	$1.72	$1.64	$1.61	$1.61	$1.68	0.59%	4.88%

Notes: [1] ALLTEL Carolina, Inc. elected price regulation in June 1998. Due to the separation of its wireline business from its wireless business, effective July 12, 2006, ALLTEL Carolina, Inc. changed its name to Windstream North Carolina, Inc. Effective November 29, 2007, Windstream North Carolina, Inc. was converted into a North Carolina limited liability company named Windstream North Carolina, LLC.

[2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2008 - $6,314,709; 2007 - $14,362,281; 2006 - $18,512,749; 2005 - $13,189,584; and 2004 - $9,882,424.

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