

Quarterly Review

Selected Financial and Operational Data:

Re:

Electric Companies

- ***Carolina Power & Light Company***
- ***Duke Power Company***
- ***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***
- ***Lexington Telephone Company***
- ***MEBTEL Communications***
- ***North State Telephone Company***

■ ***Quarter Ending March 31, 1997*** ■

Table of Contents

Part		Page
I	Introduction	1
II	Review of Key Financial Ratios:	6
	▣ Summary Statement of Key Financial Ratios For 18 Selected Companies For The Twelve Months Ended March 31, 1997 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios	7
	▣ Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By <u>Public Utilities Reports</u>, Volume Nos. 165-176, from September 1995 Through August 1997	10
III	Overviews of Selected Financial and Operational Data:	12
	▣ Electric Companies:	
	▪ Carolina Power & Light Company	13
	▪ Duke Power Company	14
	▪ Nantahala Power and Light Company	15
	▪ North Carolina Power	16
	▣ Natural Gas Local Distribution Companies:	
	▪ North Carolina Gas Service, Division of NUI	17
	▪ North Carolina Natural Gas Corporation	18
	▪ Piedmont Natural Gas Company, Inc.	19
	▪ Public Service Company of North Carolina, Inc.	20
	▣ Telecommunications Companies:	
	▪ ALLTEL Carolina, Inc.	21
	▪ BellSouth Telecommunications, Inc.	22
	▪ Carolina Telephone and Telegraph Company	23
	▪ Central Telephone Company	24

Table of Contents — continued

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

Part I

Introduction

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

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

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

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

A Specific Objective

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

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

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

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

The Key Financial Ratios

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

The Return on Common Equity

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

The Common Equity Capitalization Ratio

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

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

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

The Pre-tax Interest Coverage Ratio

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

The Overall Rate of Return

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

The Propriety of The Methodology

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

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

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

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

A Final Note

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

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

Part II

A Review of Key Financial Ratios

- ▣ ***Summary Statement of Key Financial Ratios For 18 Selected Companies For The Twelve Months Ended March 31, 1997 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios***

- ▣ ***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. 165-176, from September 1995 Through August 1997***

**Summary Statement of Key
Financial Ratios Earned Or Achieved by Selected Companies**

**"Estimated Returns on Common Equity, Overall Rates of Return,
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios"**

**(Twelve Months Ended March 31, 1997, Except for Certain
Telecommunications Companies - See Note [1])**

Line No.	Item (a)	Return on Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Pre-tax Interest Coverage Ratio (e)
<i>Electric Companies</i>					
1.	Carolina Power & Light Company	10.73%	8.93%	53.59%	4.59
2.	Duke Power Company	11.56%	9.62%	53.69%	4.82
3.	Nantahala Power and Light Company	8.54%	8.09%	57.87%	3.68
4.	North Carolina Power	7.93%	7.62%	46.82%	3.01
<i>Natural Gas Local Distribution Companies</i>					
5.	North Carolina Gas Service, Division of NUI	N/A	N/A	N/A	N/A
6.	North Carolina Natural Gas Corporation	14.56%	12.05%	60.45%	5.41
7.	Piedmont Natural Gas Company, Inc.	14.00%	10.82%	49.84%	3.91
8.	Public Service Company of North Carolina, Inc.	12.60%	10.31%	49.81%	3.53
<i>Telecommunications Companies</i>					
9.	ALLTEL Carolina, Inc.	17.26%	13.67%	61.56%	6.48
10.	BellSouth Telecommunications, Inc. *	17.54%	12.46%	55.69%	6.62
11.	Carolina Telephone and Telegraph Company *	13.60%	11.02%	62.23%	6.45
12.	Central Telephone Company *	8.40%	8.86%	80.85%	5.92
13.	Citizens Telephone Company	16.81%	12.64%	52.55%	4.55
14.	Concord Telephone Company	14.86%	13.88%	88.74%	44.09
15.	GTE South Incorporated *	7.84%	7.80%	62.17%	3.46
16.	Lexington Telephone Company	4.88%	5.46%	78.39%	10.05
17.	MEBTEL Communications	13.33%	9.55%	47.82%	4.60
18.	North State Telephone Company	16.38%	15.82%	94.17%	81.96

NOTES:

- [1] For companies electing price regulation (denoted above with an asterisk), the information on which this report is based is to be filed on an annual calendar year basis for reporting periods beginning after June 30, 1996; therefore, the data for such companies included herein will be updated annually beginning with the calendar year 1996. The most current data presented in this report, including this summary statement, for such companies is for the twelve months ended December 31, 1996.
- [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 current data for the period ending December 31, 1996, for North Carolina Gas Service, Division of NUI, has not been provided due to on-going changes occurring within the Company's internal operational structure.

**Summary Statement of Key
Financial Ratios Earned Or Achieved by Selected Companies**

**"Estimated Returns on Common Equity, Overall Rates of Return,
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios"
"continued"**

(Twelve Months Ended March 31, 1997)

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 90, No. 30, July 28, 1997 follow:

Part I

Line No.	Date (a)	U.S. Treasury Securities			Dealer-Placed	Moody's
		3-Month Bill %	10-Year Note %	30-Year Bond %	3-Month CP %	Long-Term Corporate Bond Yield %
		(b)	(c)	(d)	(e)	(f)
1.	July 24, 1997	5.10	6.15	6.43	5.55	7.34
2.	Month of June 1997	4.95	6.48	6.77	5.65	7.68
3.	Month of May 1997	5.06	6.70	6.93	5.69	7.86
4.	Past 12 Months:					
5.	Average	5.01	6.56	6.93	5.52	7.75
6.	Low	4.88	6.05	6.35	4.48	7.32
7.	High	5.27	7.04	7.18	5.77	8.09

Part II

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

Line No.	Rating (a)	7/23/97 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	June 1997 (e)	May 1997 (f)
1.	Aaa	6.40	6.99	6.92	6.78	6.97
2.	Aa	6.48	7.09	7.02	6.82	7.06
3.	A	6.56	7.15	7.08	6.92	7.12

**Summary Statement of Key
Financial Ratios Earned Or Achieved by Selected Companies**

**"Estimated Returns on Common Equity, Overall Rates of Return,
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios"
"continued"**

(Twelve Months Ended March 31, 1997)

NOTES - continued

**NOTES: [8] Selected financial market indicators from "Moody's Credit Perspectives", Volume 90, No. 30,
July 28, 1997 follow - continued:**

Part III

New offerings by public utilities - listing is all inclusive for week of July 28, 1997:

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield		Rating (f)
				Current (d)	Maturity (e)	
1.	Southwestern Bell Telephone	\$150 Million	30 Years	7.37%	-	Aa3
2.	Southwestern Bell Telephone	\$250 Million	10 Years	6.62%	-	Aa3
3.	Oklahoma Gas & Electric Co.	\$125 Million	30 Years	6.65%	6.65%	Aa3

**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. 165-176, from September 1995 through August 1997**

(Statement is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns		Date Of Order (d)	Volume No. Public Utilities Reports (e)
		Common Equity (b)	Overall (c)		
Electric Companies					
1.	New York State Electric and Gas Corp. (NY)	11.10-11.20%	N/A	9/27/95	Volume 165
2.	Pacific Gas and Electric Company (CA)	11.60%	9.49%	11/21/95	Volume 165
3.	Southern California Edison Company (CA)	11.60%	9.55%	11/21/95	Volume 165
4.	San Diego Gas & Electric Company (CA)	11.60%	9.37%	11/21/95	Volume 165
5.	Sierra Pacific Power Company (CA)	11.60%	9.59%	11/21/95	Volume 165
6.	South Carolina Electric and Gas Company (SC)	12.00%	9.60%	1/9/96	Volume 167
7.	Consumers Power Company (MI)	12.25%	8.05%	2/5/96	Volume 167
8.	Cleveland Electric Illuminating Company (OH)	12.59%	10.06%	4/11/96	Volume 168
9.	Toledo Edison Company (OH)	12.59%	10.06%	4/11/96	Volume 168
10.	PacifiCorp, dba Pacific Power and Light Co. (OR)	N/A	N/A	7/10/96	Volume 171
11.	PSI Energy, Inc. (IN)	11.00%	8.21%	9/27/96	Volume 173
12.	Mountain Fuel Supply Company (UT)	N/A	10.22-10.34%	10/17/95	Volume 165
Natural Gas Local Distribution Companies					
13.	Pacific Gas and Electric Company (CA)	12.10%	9.03%	11/21/95	Volume 165
14.	San Diego Gas & Electric Company (CA)	11.60%	9.37%	11/21/95	Volume 165
15.	Southern California Gas Company (CA)	11.60%	9.42%	11/21/95	Volume 165
16.	Connecticut Natural Gas Corporation (CT)	10.76%	9.58%	10/13/95	Volume 166
17.	Northern States Power Company (WI)	11.30%	10.72%	12/21/95	Volume 165
18.	Virginia Natural Gas, inc. (VA)	11.30%	9.64%	1/30/96	Volume 167
19.	Interstate Power Company (MN)	10.75%	8.817%	2/29/96	Volume 167
20.	Consumers Power Company (MI)	11.60%	7.83%	3/11/96	Volume 167

**Statement of Authorized Returns
On Common Equity and Overall Rates of Return
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(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)		
Natural Gas Local Distribution Companies - continued					
21.	Montana-Dakota Utilities Company (MT)	12.00%	10.913%	4/11/96	Volume 168
22.	Minnegasco, a Div. of NorAm Energy Corp. (MN)	11.00%	9.76%	8/10/96	Volume 170
23.	Western Resources, Inc.(KS)	10.50%	8.93%	4/13/96	Volume 171
24.	Northern States Power Company (ND)	12.00%	9.405%	8/7/96	Volume 171
25.	Laclede Gas Company (MO)	11.00%	N/A	8/28/96	Volume 172
26.	PNM Gas Services, a Div. of Public Ser. Co. of N.M.	11.00%	9.17%	2/13/97	Volume 176
Telecommunications Companies					
27.	U S West Communications, Inc. (UT)	11.50%	9.72%	11/6/95	Volume 165
28.	South Central Bell Telephone Company (TN)	12.50%	10.35%	1/23/96	Volume 166
29.	New England Telephone and Telegraph Co. (VT)	11.50%	N/A	2/13/96	Volume 168
30.	U S West Communications, Inc. (WA)	11.30%	9.367%	4/11/96	Volume 169
Water Companies					
31.	Fulton Water Company (CA)	N/A	11.80%	10/5/95	Volume 165
32.	Indiana-American Water Company, Inc. (IN)	11.00%	N/A	5/30/96	Volume 169
33.	Citizens Utilities Water Company of Penn. (PA)	10.80%	8.83%	3/29/96	Volume 169
34.	Venture Associates Utilities Corp. (FL)	10.35%	N/A	8/18/96	Volume 170
35.	San Gabriel Valley Water Company (CA)	10.30%	9.73-10.03%	7/17/96	Volume 171
36.	Kentucky-American Water Company (KY)	13.00%	N/A	7/31/96	Volume 172
37.	Prudence Island Utilities Corporation (RI)	10.8%	N/A	2/14/97	Volume 176

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 Company***
 - ***Nantahala Power and Light Company***
 - ***North Carolina Power***

- ▣ ***Natural Gas Local Distribution Companies***
 - ***North Carolina Gas Service, Division of NUI***
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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 1997 (b)	March 1998 (c)	March 1998 (d)	March 1994 (e)	March 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,068,451	\$2,118,909	\$1,970,549	\$2,007,281	\$1,893,139	2.24%	-2.38%
2.	Operating Expenses:							
3.	Fuel	340,035	349,915	337,909	354,379	308,023	2.50%	-2.82%
4.	Purchased Power	254,214	276,598	251,875	258,970	223,612	3.26%	-8.09%
5.	Maintenance	151,785	141,694	137,699	150,874	181,433	-5.64%	7.12%
6.	Other Operating Expenses	<u>374,869</u>	<u>389,157</u>	<u>389,915</u>	<u>354,527</u>	<u>310,733</u>	<u>4.80%</u>	<u>-3.67%</u>
7.	Total Operating Expenses	1,120,903	1,157,362	1,097,398	1,118,750	1,033,801	2.04%	-3.15%
8.	Depreciation & Amortization	313,533	278,481	278,874	285,389	281,803	2.72%	12.59%
9.	Total Expenses & Depreciation	1,434,436	1,435,823	1,374,272	1,412,139	1,315,404	2.19%	-0.10%
10.	Total Operating Taxes	298,274	310,185	252,815	250,895	241,218	5.27%	-4.48%
11.	Total Expenses, Depr. & Taxes	1,730,710	1,745,998	1,626,887	1,663,104	1,556,622	2.69%	-0.68%
12.	Operating Income	<u>\$337,741</u>	<u>\$372,921</u>	<u>\$343,662</u>	<u>\$344,157</u>	<u>\$338,517</u>	<u>0.09%</u>	<u>-9.43%</u>
13.	Net Plant Investment	<u>\$4,388,075</u>	<u>\$4,211,881</u>	<u>\$4,054,054</u>	<u>\$4,038,717</u>	<u>\$4,087,828</u>	<u>1.66%</u>	<u>3.66%</u>
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14.	Oper. Exp. as a % of Total Revenue	54.19%	54.62%	55.89%	55.64%	54.61%	-0.19%	-0.79%
15.	Net Plt. Investment per \$ of Revenue	\$2.11	\$1.99	\$2.06	\$2.01	\$2.16	-0.58%	8.03%
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16.	Number of Customers Served:							
17.	Residential	822	799	779	749	748	2.39%	2.66%
18.	Commercial	141	137	130	132	124	3.28%	2.92%
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>969</u>	<u>942</u>	<u>915</u>	<u>887</u>	<u>878</u>	<u>2.50%</u>	<u>2.87%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	10,403	10,591	9,425	9,851	9,187	3.21%	-1.78%
24.	Commercial	8,187	7,974	8,938	7,350	6,838	4.26%	2.80%
25.	Industrial	11,317	10,984	10,980	10,435	10,188	2.66%	3.22%
26.	Other	4,013	4,402	2,020	1,393	1,036	<u>40.29%</u>	<u>-8.84%</u>
27.	Total Sales	<u>33,930</u>	<u>33,931</u>	<u>29,343</u>	<u>29,029</u>	<u>27,329</u>	<u>5.58%</u>	<u>N/A</u>
<hr/>								
28.	Estimated Overall Rate of Return	8.93%	10.13%	9.68%	9.62%	9.18%	-0.71%	-11.85%
29.	Estimated Return on Common Equity	10.73%	13.15%	12.37%	12.24%	11.03%	-0.69%	-18.40%
30.	Common Equity Ratio	53.59%	49.52%	49.47%	48.48%	48.62%	3.54%	8.22%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.59	4.38	4.02	3.80	3.28	8.76%	4.79%
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32.	LAST RATE CASE	Authorized Return on Common Equity: 12.75%		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 except for data in Italics [Lines 28 - 31, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1997 (b)	March 1998 (c)	March 1999 (d)	March 2000 (e)	March 2001 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,867,228	\$2,831,555	\$2,664,569	\$2,713,716	\$2,551,023	2.96%	1.26%
2.	Operating Expenses:							
3.	Fuel	480,158	488,665	428,028	433,375	394,652	5.02%	2.45%
4.	Purchased Power	282,500	284,617	297,790	314,094	302,532	-1.70%	-0.74%
5.	Maintenance	308,787	296,314	277,017	248,908	256,762	4.72%	4.21%
6.	Other Operating Expenses	<u>539,579</u>	<u>545,244</u>	<u>511,723</u>	<u>480,811</u>	<u>414,309</u>	<u>6.83%</u>	<u>-1.04%</u>
7.	Total Operating Expenses	1,611,024	1,594,830	1,514,558	1,467,186	1,368,255	4.17%	1.02%
8.	Depreciation & Amortization	<u>323,888</u>	<u>302,428</u>	<u>293,809</u>	<u>313,247</u>	<u>328,910</u>	<u>-0.40%</u>	<u>7.03%</u>
9.	Total Expenses & Depreciation	1,934,710	1,897,258	1,808,367	1,770,433	1,697,165	3.33%	1.97%
10.	Total Operating Taxes	<u>428,080</u>	<u>428,552</u>	<u>392,492</u>	<u>430,331</u>	<u>373,217</u>	<u>3.37%</u>	<u>-0.58%</u>
11.	Total Expenses, Depr. & Taxes	<u>2,360,790</u>	<u>2,325,808</u>	<u>2,200,859</u>	<u>2,200,764</u>	<u>2,070,382</u>	<u>3.34%</u>	<u>1.50%</u>
12.	Operating Income	<u>\$508,438</u>	<u>\$505,747</u>	<u>\$463,710</u>	<u>\$512,952</u>	<u>\$480,641</u>	<u>1.32%</u>	<u>0.14%</u>
13.	Net Plant Investment	<u>\$6,014,886</u>	<u>\$5,922,928</u>	<u>\$5,641,289</u>	<u>\$5,575,172</u>	<u>\$5,801,503</u>	<u>1.80%</u>	<u>1.55%</u>
14.	Oper. Exp. as a % of Total Revenue	56.19%	56.32%	56.84%	53.70%	53.64%	1.17%	-0.23%
15.	Net Plt. Investment per \$ of Revenue	\$2.10	\$2.09	\$2.12	\$2.05	\$2.20	-1.16%	0.48%
16.	Number of Customers Served:							
17.	Residential	1,198	1,169	1,139	1,116	1,098	2.20%	2.48%
18.	Commercial	188	183	177	172	168	2.85%	2.73%
19.	Industrial	7	7	7	7	7	0.00%	0.00%
20.	Other	<u>7</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>3.93%</u>	<u>16.67%</u>
21.	Total Number of Customers	<u>1,400</u>	<u>1,365</u>	<u>1,329</u>	<u>1,301</u>	<u>1,279</u>	<u>2.28%</u>	<u>2.56%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	15,223	15,399	14,052	14,942	13,705	2.66%	-1.14%
24.	Commercial	15,049	14,559	13,701	13,490	12,562	4.62%	3.37%
25.	Industrial	17,547	17,496	17,441	16,841	16,011	2.32%	0.29%
26.	Other	<u>204</u>	<u>198</u>	<u>183</u>	<u>187</u>	<u>182</u>	<u>2.89%</u>	<u>3.03%</u>
27.	Total Sales	<u>48,023</u>	<u>47,652</u>	<u>45,387</u>	<u>45,460</u>	<u>42,460</u>	<u>3.13%</u>	<u>0.78%</u>
28.	Estimated Overall Rate of Return	9.62%	9.67%	9.39%	<i>10.45%</i>	8.77%	-0.39%	-2.53%
29.	Estimated Return on Common Equity	11.56%	12.07%	11.31%	<i>13.44%</i>	11.67%	-0.24%	-4.23%
30.	Common Equity Ratio	53.69%	52.78%	51.77%	<i>51.16%</i>	50.45%	1.57%	1.72%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.82	4.93	4.65	<i>3.63</i>	4.77	0.26%	-2.23%
32.	LAST RATE CASE	Authorized Return on Common Equity: 12.50%		Equity Ratio: 49.82%		Date of Order: 11-12-01		

Notes: [1] North Carolina retail jurisdictional revenue equates to 67% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC EB-1 Reports except for data in italics [Lines 28-31, Columns (e) - (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1997 (b)	March 1998 (c)	March 1995 (d)	March 1994 (e)	March 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$59,663	\$66,953	\$61,626	\$67,491	\$58,242	0.60%	-10.69%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	819	9,976	7,045	12,115	715	3.45%	-91.79%
4.	Purchased Power - Regular	24,299	25,702	22,861	23,767	31,467	-6.26%	-5.46%
5.	Maintenance	4,875	5,551	4,108	5,315	4,444	2.34%	-12.18%
6.	Other Operating Expenses	7,854	7,733	8,144	8,241	8,729	3.27%	-1.02%
7.	Total Operating Expenses	37,647	48,962	42,158	49,438	43,355	-3.47%	-23.11%
8.	Depreciation & Amortization	4,590	4,999	4,530	3,992	4,593	-0.02%	-8.18%
9.	Total Expenses & Depreciation	42,237	53,961	46,688	53,430	47,948	-3.12%	-21.73%
10.	Total Operating Taxes	8,297	8,000	7,252	7,016	5,340	11.65%	39.28%
11.	Total Expenses, Depr. & Taxes	50,534	59,961	53,940	60,446	53,288	-1.32%	-15.72%
12.	Operating Income	\$9,129	\$8,992	\$7,668	\$7,045	\$4,884	16.51%	30.56%
13.	Net Plant Investment	\$113,776	\$105,041	\$77,116	\$66,555	\$64,451	15.27%	8.32%
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14.	Oper. Exp. as a % of Total Revenue	83.10%	73.13%	68.41%	73.25%	74.44%	-4.05%	-13.72%
15.	Net Plt. Investment per \$ of Revenue	\$1.91	\$1.57	\$1.25	\$1.02	\$1.11	14.53%	21.66%
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16.	Number of Customers Served:							
17.	Residential	50	48	47	46	45	2.67%	4.17%
18.	Commercial	6	6	6	6	6	0.00%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	0	0	0	0	0	N/A	N/A
21.	Total Number of Customers	56	54	53	52	51	2.37%	3.70%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	481	475	430	454	416	2.80%	-2.95%
24.	Commercial	319	310	288	274	252	6.07%	2.90%
25.	Industrial	115	111	106	116	118	-0.84%	3.60%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	897	898	828	846	788	3.29%	-0.11%
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28.	Estimated Overall Rate of Return	8.09%	7.05%	10.17%	10.87%	8.71%	-1.83%	14.75%
29.	Estimated Return on Common Equity	8.54%	6.48%	11.55%	12.93%	8.77%	-0.53%	31.79%
30.	Common Equity Ratio	57.87%	62.91%	60.80%	57.95%	66.99%	-4.30%	-8.01%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.68	2.98	4.68	4.64	3.71	-0.20%	23.49%
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32.	LAST RATE CASE	Authorized Return on Common Equity: 12.10%		Equity Ratio: 56.11%		Date of Order: 6-18-93		

Notes: [1] North Carolina retail jurisdictional revenue equates to 94% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports except for data in Italics [Lines 28 - 31, Columns (e) - (f)] which is from past Commission Surveillance 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 1987 (b)	March 1986 (c)	March 1985 (d)	March 1984 (e)	March 1983 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$208,939	\$208,877	\$190,081	\$190,505	\$177,021	4.23%	1.00%
2.	Operating Expenses:							
3.	Fuel	27,324	27,402	24,003	26,422	27,864	-0.31%	-0.28%
4.	Purchased Power	54,331	49,089	44,736	40,081	36,587	10.39%	10.88%
5.	Maintenance	13,480	13,082	12,837	13,079	13,805	-0.27%	3.05%
6.	Other Operating Expenses	<u>29,877</u>	<u>30,827</u>	<u>28,430</u>	<u>25,498</u>	<u>24,808</u>	<u>4.58%</u>	<u>-3.10%</u>
7.	Total Operating Expenses	124,792	120,180	110,106	105,080	102,685	5.00%	3.84%
8.	Depreciation & Amortization	<u>25,488</u>	<u>23,880</u>	<u>22,273</u>	<u>22,147</u>	<u>22,430</u>	<u>3.25%</u>	<u>8.72%</u>
9.	Total Expenses & Depreciation	150,280	144,070	132,379	127,207	125,095	4.89%	4.32%
10.	Total Operating Taxes	<u>25,288</u>	<u>26,718</u>	<u>24,548</u>	<u>27,421</u>	<u>22,870</u>	<u>2.52%</u>	<u>-5.43%</u>
11.	Total Expenses, Depr. & Taxes	<u>175,554</u>	<u>170,788</u>	<u>156,925</u>	<u>154,628</u>	<u>147,965</u>	<u>4.37%</u>	<u>2.79%</u>
12.	Operating Income	<u>\$33,385</u>	<u>\$38,088</u>	<u>\$33,138</u>	<u>\$35,877</u>	<u>\$29,058</u>	<u>3.53%</u>	<u>-7.49%</u>
13.	Net Plant Investment	<u>\$448,834</u>	<u>\$438,848</u>	<u>\$404,839</u>	<u>\$387,538</u>	<u>\$393,523</u>	<u>3.35%</u>	<u>2.11%</u>
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14.	Oper. Exp. as a % of Total Revenue	59.73%	58.08%	57.83%	55.15%	58.00%	0.74%	2.82%
15.	Net Plt. Investment per \$ of Revenue	\$2.15	\$2.13	\$2.13	\$2.09	\$2.22	-0.80%	0.94%
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16.	Number of Customers Served:							
17.	Residential	87	88	84	82	81	1.80%	1.16%
18.	Commercial	13	13	13	13	12	2.02%	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	<u>102</u>	<u>101</u>	<u>99</u>	<u>97</u>	<u>95</u>	<u>1.79%</u>	<u>0.89%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,081	1,128	1,004	1,029	983	2.93%	-4.17%
24.	Commercial	821	837	898	891	875	1.94%	-2.51%
25.	Industrial	1,262	1,188	1,157	1,023	1,032	5.16%	6.41%
26.	Other	<u>113</u>	<u>120</u>	<u>110</u>	<u>111</u>	<u>102</u>	<u>2.58%</u>	<u>-5.83%</u>
27.	Total Sales	<u>3,077</u>	<u>3,071</u>	<u>2,867</u>	<u>2,754</u>	<u>2,872</u>	<u>3.59%</u>	<u>0.20%</u>
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28.	Estimated Overall Rate of Return	7.82%	8.84%	8.74%	8.51%	8.03%	-1.30%	-13.80%
29.	Estimated Return on Common Equity	7.93%	10.58%	10.85%	12.31%	8.84%	-2.95%	-25.05%
30.	Common Equity Ratio	46.82%	45.38%	45.18%	44.49%	44.12%	1.50%	3.22%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.01	3.44	3.40	3.02	3.38	-2.71%	-12.50%
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32.	LAST RATE CASE	Authorized Return on Common Equity: 11.80%			Equity Ratio: 44.82%		Date of Order: 2-28-83	

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 except for data in Italics [Lines 28 - 31, Columns (e) - (f)] which is from past Commission Surveillance 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 1997 (b)	March 1998 (c)	March 1999 (d)	March 1994 (e)	March 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	N/A	\$5,929	\$5,364	\$5,437	\$4,910	N/A	N/A
3.	Commercial	N/A	2,932	2,979	2,952	2,779	N/A	N/A
4.	Industrial	N/A	5,355	7,072	6,542	6,941	N/A	N/A
5.	Public Authorities	N/A	0	0	0	0	N/A	N/A
6.	Resale	N/A	0	0	0	0	N/A	N/A
7.	Other	N/A	1,349	510	201	746	N/A	N/A
8.	Total Operating Revenue	N/A	15,565	15,945	15,132	15,378	N/A	N/A
9.	Cost of Gas	N/A	8,811	9,692	9,785	10,362	N/A	N/A
10.	Margin	N/A	6,754	6,253	5,347	5,016	N/A	N/A
11.	O & M Expenses	N/A	3,626	4,015	3,366	2,960	N/A	N/A
12.	Other Deductions	N/A	1,431	1,502	1,797	1,212	N/A	N/A
13.	Operating Income	N/A	\$1,997	\$736	\$184	\$844	N/A	N/A
14.	Net Plant Investment	N/A	\$10,891	\$11,699	\$10,377	\$9,686	N/A	N/A
15.	Oper. Exp. as a % of Total Revenue	N/A	79.90%	85.98%	86.91%	86.63%	N/A	N/A
16.	Net Plt. Investment per \$ of Revenue	N/A	\$0.70	\$0.73	\$0.69	\$0.63	N/A	N/A
17.	Gas Delivered in DTs:							
18.	Residential	N/A	913	784	888	845	N/A	N/A
19.	Commercial	N/A	566	537	588	590	N/A	N/A
20.	Industrial	N/A	1,545	2,119	2,048	1,930	N/A	N/A
21.	Public Authorities	N/A	0	0	0	0	N/A	N/A
22.	Resale	N/A	0	0	0	0	N/A	N/A
23.	Other	N/A	911	535	30	104	N/A	N/A
24.	Total DTs	N/A	3,935	3,975	3,554	3,469	N/A	N/A
25.	Number of Customers:							
26.	Residential	N/A	11	11	10	10	N/A	N/A
27.	Commercial	N/A	2	2	2	2	N/A	N/A
28.	Industrial	N/A	0	0	0	0	N/A	N/A
29.	Public Authorities	N/A	0	0	0	0	N/A	N/A
30.	Resale	N/A	0	0	0	0	N/A	N/A
31.	Other	N/A	0	3	0	2	N/A	N/A
32.	Total Number of Customers	N/A	13	16	12	14	N/A	N/A
33.	Estimated Overall Rate of Return	N/A	11.37%	8.44%	1.70%	8.96%	N/A	N/A
34.	Estimated Return on Common Equity	N/A	13.00%	9.49%	-5.23%	8.90%	N/A	N/A
35.	Common Equity Ratio	N/A	44.22%	53.14%	53.21%	64.18%	N/A	N/A
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	N/A	2.77	3.29	1.59	4.23	N/A	N/A
37.	LAST RATE CASE	Authorized Return on Common Equity: 11.40% Equity Ratio: 47.57% Date of Order: 9-20-95						

Notes: [1] North Carolina retail jurisdictional revenue equates to 4% 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 except for data in Italics [Lines 33 - 36, Columns (e) - (f)] which is from past Commission Surveillance Reports.

[4] N/A denotes that the data has not been provided due to on-going 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 1997 (b)	March 1998 (c)	March 1999 (d)	March 2000 (e)	March 2001 (f)	Four Year (g)	Current Year (h)	
1.	Operating Revenue:								
2.	Residential	\$47,622	\$40,063	\$31,987	\$37,346	\$32,307	10.19%	18.87%	
3.	Commercial	31,529	24,775	21,154	24,277	20,480	11.39%	27.26%	
4.	Industrial	74,967	65,481	60,479	75,128	82,559	-2.38%	14.49%	
5.	Public Authorities	1,999	1,941	1,665	2,232	2,210	-2.48%	2.99%	
6.	Resale	25,577	25,783	16,484	23,595	21,243	4.75%	-0.80%	
7.	Other	17,435	21,045	10,799	8,652	12,658	8.33%	-17.15%	
8.	Total Operating Revenue	199,129	179,088	142,588	172,530	171,457	3.81%	11.19%	
9.	Cost of Gas	126,504	114,604	87,420	116,338	116,112	1.73%	10.38%	
10.	Margin	72,625	64,484	55,148	56,192	53,345	8.02%	12.62%	
11.	O & M Expenses	24,937	21,343	20,027	16,958	18,015	8.47%	16.84%	
12.	Other Deductions	27,845	24,965	20,700	21,519	20,343	8.16%	11.54%	
13.	Operating Income	\$19,843	\$18,178	\$14,421	\$15,715	\$14,987	7.27%	8.17%	
14.	Net Plant Investment	\$184,299	\$179,051	\$166,155	\$153,824	\$146,246	5.95%	2.91%	
15.	Oper. Exp. as a % of Total Revenue	76.05%	75.91%	75.37%	78.42%	79.39%	-1.07%	0.18%	
16.	Net Plt. Investment per \$ of Revenue	\$0.93	\$1.00	\$1.17	\$0.89	\$0.85	2.27%	-7.00%	
17.	Gas Delivered in DTs:								
18.	Residential	6,090	6,343	5,202	5,726	5,217	3.94%	-3.99%	
19.	Commercial	5,171	5,212	4,457	4,624	4,279	4.85%	-0.79%	
20.	Industrial	17,891	19,391	18,229	19,665	24,401	-7.46%	-7.74%	
21.	Public Authorities	334	389	359	423	451	-7.23%	-14.14%	
22.	Resale	5,284	7,355	4,150	5,582	5,708	-1.90%	-28.16%	
23.	Other	19,201	15,023	15,055	11,639	6,899	29.21%	27.81%	
24.	Total DTs	53,971	53,713	47,452	47,659	46,943	3.55%	0.48%	
25.	Number of Customers:								
26.	Residential	93	90	86	81	76	5.16%	3.33%	
27.	Commercial	13	12	12	11	11	4.26%	8.33%	
28.	Industrial	0	1	1	1	1	-100.00%	-100.00%	
29.	Public Authorities	5	5	5	5	6	-4.46%	0.00%	
30.	Resale	44	41	39	37	33	7.46%	7.32%	
31.	Other	0	0	0	0	0	N/A	N/A	
32.	Total Number of Customers	155	149	143	135	127	5.11%	4.03%	
33.	Estimated Overall Rate of Return	12.05%	10.54%	9.33%	8.85%	8.98%	4.88%	14.33%	
34.	Estimated Return on Common Equity	14.56%	11.94%	11.16%	14.10%	15.49%	-1.54%	21.94%	
35.	Common Equity Ratio	60.45%	60.57%	58.84%	69.60%	64.88%	-1.68%	-0.20%	
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.41	4.62	4.22	5.06	4.23	6.34%	17.10%	
37.	LAST RATE CASE	Authorized Return on Common Equity: N/A 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 NCLC GS-1 Reports except for data in Italics [Lines 33 - 36, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1997 (b)	March 1998 (c)	March 1999 (d)	March 2000 (e)	March 2001 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$195,520	\$158,775	\$132,360	\$143,365	\$127,989	11.17%	23.14%
3.	Commercial	108,187	85,895	75,248	90,334	79,702	7.94%	24.79%
4.	Industrial	101,450	77,562	55,843	101,905	84,721	4.81%	30.80%
5.	Public Authorities	3,322	2,737	2,587	3,053	3,051	2.15%	21.37%
6.	Resale	67	2,149	3,110	4	0	N/A	-98.88%
7.	Other	60,330	18,288	27,072	8,728	8,418	63.63%	270.85%
8.	Total Operating Revenue	<u>468,876</u>	<u>344,188</u>	<u>298,238</u>	<u>345,130</u>	<u>303,879</u>	<u>11.45%</u>	<u>35.23%</u>
9.	Cost of Gas	290,207	188,485	151,684	212,274	180,525	12.80%	55.81%
10.	Margin	178,669	157,691	144,574	132,856	123,354	9.70%	13.30%
11.	O & M Expenses	72,175	65,967	63,813	59,908	54,313	7.37%	9.38%
12.	Other Deductions	60,221	51,750	43,954	40,791	37,567	12.52%	16.37%
13.	Operating Income	<u>348,273</u>	<u>339,954</u>	<u>337,007</u>	<u>332,157</u>	<u>331,474</u>	<u>10.11%</u>	<u>15.82%</u>
14.	Net Plant Investment	<u>3450,479</u>	<u>3426,475</u>	<u>3403,598</u>	<u>3352,391</u>	<u>3320,788</u>	<u>9.46%</u>	<u>7.97%</u>
15.	Oper. Exp. as a % of Total Revenue	77.29%	73.36%	72.67%	78.86%	77.28%	0.00%	5.36%
16.	Net Plt. Investment per \$ of Revenue	\$0.88	\$1.24	\$1.38	\$1.02	\$1.08	-1.94%	-20.97%
17.	Gas Delivered in DTs:							
18.	Residential	23,251	24,132	19,648	21,623	20,383	3.35%	-3.65%
19.	Commercial	15,673	15,634	13,319	16,224	15,229	0.72%	0.25%
20.	Industrial	21,854	20,140	15,183	26,255	22,651	-0.89%	8.51%
21.	Public Authorities	468	511	473	546	582	-5.30%	-8.41%
22.	Resale	(74)	832	1,148	1	0	N/A	-108.89%
23.	Other	31,149	17,118	21,258	5,808	9,958	34.02%	81.88%
24.	Total DTs	<u>82,321</u>	<u>78,365</u>	<u>71,037</u>	<u>70,257</u>	<u>68,501</u>	<u>7.75%</u>	<u>17.81%</u>
25.	Number of Customers:							
26.	Residential	301	281	272	258	241	5.72%	7.12%
27.	Commercial	37	35	34	33	32	3.70%	5.71%
28.	Industrial	2	2	2	1	1	18.92%	0.00%
29.	Public Authorities	6	6	6	6	7	-3.78%	0.00%
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	1	0	0	N/A	N/A
32.	Total Number of Customers	<u>346</u>	<u>324</u>	<u>315</u>	<u>298</u>	<u>281</u>	<u>5.34%</u>	<u>8.79%</u>
33.	Estimated Overall Rate of Return	10.82%	10.03%	10.08%	8.88%	9.81%	3.01%	7.88%
34.	Estimated Return on Common Equity	14.00%	11.70%	12.25%	12.12%	8.90%	24.11%	19.66%
35.	Common Equity Ratio	49.84%	52.27%	48.96%	53.83%	56.71%	-3.18%	-4.65%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.91	3.51	3.38	3.48	3.72	1.25%	11.40%
37.	LAST RATE CASE	Authorized Return on Common Equity: 10.10% Equity Ratio: N/A Date of Order 10-23-98						

Notes: [1] North Carolina retail jurisdictional revenue equates to 60% 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 except for data in Italics [Lines 33 - 36, Columns (e) - (f)] which is from past Commission Surveillance 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 1997 (b)	March 1998 (c)	March 1996 (d)	March 1994 (e)	March 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$178,229	\$153,822	\$134,795	\$137,559	\$124,845	9.31%	15.87%
3.	Commercial	86,091	74,187	87,168	71,802	63,581	7.88%	18.08%
4.	Industrial	38,108	35,529	23,310	41,120	62,724	-11.71%	7.25%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	0	3,879	12,158	16,355	12,878	-100.00%	-100.00%
7.	Other	33,280	18,147	21,125	13,788	5,703	55.42%	83.38%
8.	Total Operating Revenue	335,708	285,344	258,554	280,422	269,709	5.82%	17.85%
9.	Cost of Gas	184,358	147,050	130,538	164,437	157,078	4.08%	25.37%
10.	Margin	151,348	138,294	128,016	115,985	112,631	7.87%	9.44%
11.	O & M Expenses	58,687	53,584	49,980	48,514	46,353	6.08%	9.52%
12.	Other Deductions	54,120	48,788	44,558	38,099	36,477	10.37%	10.83%
13.	Operating Income	338,541	335,924	333,480	329,372	329,801	8.84%	7.28%
14.	Net Plant Investment	3430,398	3393,557	3360,824	3339,153	3315,305	8.08%	9.38%
15.	Oper. Exp. as a % of Total Revenue	72.40%	70.31%	69.82%	75.94%	75.43%	-1.02%	2.97%
16.	Net Plt. Investment per \$ Revenue	\$1.28	\$1.38	\$1.40	\$1.21	\$1.17	2.27%	-7.25%
17.	Gas Delivered in DTs:							
18.	Residential	20,005	21,329	17,554	19,132	18,255	2.31%	-8.21%
19.	Commercial	12,759	13,680	11,839	12,584	11,995	1.56%	-8.73%
20.	Industrial	8,035	8,998	5,868	9,781	17,331	-17.48%	-10.70%
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	23,878	19,473	4,398	17,009	9,757	24.81%	21.58%
24.	Total DTs	64,475	63,480	39,659	58,486	57,338	2.98%	1.57%
25.	Number of Customers:							
26.	Residential	268	259	252	240	230	3.90%	3.47%
27.	Commercial	40	37	30	28	27	10.33%	8.11%
28.	Industrial	2	0	0	0	0	N/A	N/A
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	310	296	282	268	257	4.80%	4.73%
33.	Estimated Overall Rate of Return	10.31%	11.26%	11.23%	8.98%	9.81%	1.77%	-8.44%
34.	Estimated Return on Common Equity	12.60%	13.48%	13.10%	12.20%	12.33%	0.54%	-8.39%
35.	Common Equity Ratio	49.81%	53.57%	53.89%	52.54%	49.34%	0.24%	-7.02%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.53	3.90	3.78	2.84	2.83	5.68%	-9.49%
37.	LAST RATE CASE	Authorized Return on Common Equity: 11.87%			Equity Ratio: 50.00%		Date of Order: 1-26-95	

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 except for data in *italics* [Lines 33 - 36, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

ALTEL CAROLINA, INC.
SELECTED FINANCIAL OPERATIONAL DATA
North Carolina Intrastate Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1997 (b)	March 1998 (c)	March 1998 (d)	March 1994 (e)	March 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$52,804	\$43,472	\$37,216	\$33,520	\$32,859	12.76%	21.47%
3.	Network Access	21,508	21,108	17,078	14,362	11,121	17.93%	1.90%
4.	Long Distance Message	6,179	15,374	12,476	9,858	8,865	-8.63%	-59.81%
5.	Miscellaneous	390	5,085	3,874	3,113	2,960	-39.75%	-92.33%
6.	Uncollectibles	(197)	(1,487)	(1,281)	(338)	(319)	-11.35%	-86.75%
7.	Total Operating Revenue	<u>80,684</u>	<u>83,552</u>	<u>69,383</u>	<u>60,515</u>	<u>55,286</u>	<u>9.91%</u>	<u>-3.43%</u>
8.	Operating Expenses	40,243	36,496	31,591	25,356	23,281	14.66%	10.26%
9.	Depreciation & Amortization	13,398	16,619	11,883	11,377	11,063	4.90%	-19.38%
10.	Total Operating Taxes	10,222	12,125	10,080	9,289	8,267	5.45%	-15.69%
11.	Total Expenses, Depr. & Taxes	<u>63,863</u>	<u>65,242</u>	<u>53,554</u>	<u>46,022</u>	<u>42,611</u>	<u>10.65%</u>	<u>-2.11%</u>
12.	Other Operating (Income) & Expense	74	(174)	89	0	0	N/A	-142.53%
13.	Operating Income	<u>\$16,747</u>	<u>\$18,484</u>	<u>\$15,740</u>	<u>\$14,493</u>	<u>\$12,675</u>	<u>7.21%</u>	<u>-9.40%</u>
14.	Net Plant Investment	<u>\$135,579</u>	<u>\$132,287</u>	<u>\$132,597</u>	<u>\$103,834</u>	<u>\$103,205</u>	<u>7.08%</u>	<u>2.50%</u>
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15.	Oper. Exp. as a % of Total Revenue	49.88%	43.68%	45.53%	41.90%	42.11%	4.32%	14.19%
16.	Net Plt. investment per \$ of Revenue	\$1.68	\$1.58	\$1.91	\$1.72	\$1.87	-2.64%	6.33%
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17.	Local Access Lines:							
18.	Residential	140	132	127	95	89	11.99%	6.06%
19.	Business	41	37	33	22	20	19.66%	10.81%
20.	Total Local Access Lines	<u>181</u>	<u>169</u>	<u>160</u>	<u>117</u>	<u>109</u>	<u>13.52%</u>	<u>7.10%</u>
21.	Total Access Lines:							
22.	Residential	140	132	127	95	89	11.99%	6.06%
23.	Business	41	37	34	22	20	19.66%	10.81%
24.	Total Access Lines	<u>181</u>	<u>169</u>	<u>161</u>	<u>117</u>	<u>109</u>	<u>13.52%</u>	<u>7.10%</u>
<hr/>								
25.	Estimated Overall Rate of Return	13.67%	15.31%	14.80%	15.09%	13.74%	-0.13%	-10.71%
26.	Estimated Return on Common Equity	17.26%	19.83%	19.55%	18.26%	16.56%	1.01%	-12.96%
27.	Common Equity Ratio	61.58%	62.13%	60.48%	66.43%	63.85%	-0.90%	-0.89%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.48	7.67	8.09	8.03	7.74	-4.34%	-15.51%
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29.	LAST RATE CASE	Authorized Return on Common Equity: 13.20% Equity Ratio: 42.11%					Date of Order: 11-25-88	

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 except for data in italics [Lines 25 - 28, Columns (e) - (f)] which is from past Commission Surveillance Reports.

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

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1998 (b)	December 1995 (c)	December 1994 (d)	December 1993 (e)	December 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$805,617	\$689,370	\$636,507	\$599,078	\$555,607	9.73%	16.86%
3.	Network Access	163,678	161,256	166,347	147,466	136,356	4.67%	1.50%
4.	Long Distance Message	64,674	106,379	125,626	140,245	140,656	-17.70%	-39.20%
5.	Miscellaneous	84,291	89,552	88,417	82,364	81,195	0.94%	-5.87%
6.	Uncollectibles	(12,559)	(5,890)	(6,664)	(7,271)	(6,011)	20.23%	113.59%
7.	Total Operating Revenue	<u>1,105,701</u>	<u>1,040,677</u>	<u>1,010,213</u>	<u>961,862</u>	<u>908,103</u>	5.05%	6.25%
8.	Operating Expenses	496,846	494,761	464,499	447,823	431,602	3.58%	0.42%
9.	Depreciation & Amortization	284,607	208,264	243,722	211,606	211,225	7.74%	36.66%
10.	Total Operating Taxes	125,641	139,583	119,308	116,835	88,818	6.19%	-9.98%
11.	Total Expenses, Depr. & Taxes	<u>907,094</u>	<u>842,588</u>	<u>827,529</u>	<u>776,466</u>	<u>741,645</u>	5.16%	7.66%
12.	Other Operating (Income) & Expense	70	(51)	(281)	(45)	32	21.61%	-237.25%
13.	Operating Income	<u>\$188,537</u>	<u>\$198,140</u>	<u>\$182,945</u>	<u>\$185,461</u>	<u>\$166,426</u>	4.51%	0.20%
14.	Net Plant Investment	<u>\$1,852,897</u>	<u>\$1,893,522</u>	<u>\$1,756,863</u>	<u>\$1,729,257</u>	<u>\$1,700,813</u>	2.16%	-2.15%
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15.	Oper. Exp. as a % of Total Revenue	44.93%	47.54%	45.98%	46.56%	47.53%	-1.40%	-5.49%
16.	Net Plt. Investment per \$ of Revenue	\$1.68	\$1.82	\$1.74	\$1.80	\$1.87	-2.64%	-7.69%
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17.	Local Access Lines:							
18.	Residential	1,449	1,396	1,344	1,292	1,257	3.62%	3.80%
19.	Business	598	543	488	451	428	8.85%	10.13%
20.	Total Local Access Lines	<u>2,047</u>	<u>1,939</u>	<u>1,832</u>	<u>1,743</u>	<u>1,683</u>	5.02%	5.57%
21.	Total Access Lines:							
22.	Residential	1,449	1,396	1,344	1,292	1,257	3.62%	3.80%
23.	Business	604	550	497	463	442	8.12%	9.82%
24.	Total Access Lines	<u>2,053</u>	<u>1,946</u>	<u>1,841</u>	<u>1,755</u>	<u>1,699</u>	4.85%	5.50%
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25.	Estimated Overall Rate of Return	12.46%	12.72%	10.67%	11.22%	11.76%	1.46%	-2.04%
26.	Estimated Return on Common Equity	17.54%	16.94%	13.86%	15.42%	13.71%	6.35%	3.54%
27.	Common Equity Ratio	55.69%	58.65%	63.07%	63.74%	64.40%	-3.57%	-5.05%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.82	6.71	6.67	6.44	6.69	4.13%	-1.34%
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29.	LAST RATE CASE	Authorized Return on Common Equity: 15.00% Equity Ratio: 54.80%					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 except for data in Italics [Lines 25 - 28, Columns (c) - (f)] which is from past Commission Surveillance Reports.
[4] For companies electing price regulation, including BellSouth Telecommunications, Inc., information on which this report is based is to be filed on an annual basis for reporting periods beginning after June 30, 1996; therefore, data for such companies included herein will be updated annually beginning with the calendar year 1996.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1994 (b)	December 1995 (c)	December 1994 (d)	December 1993 (e)	December 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$309,556	\$259,741	\$234,847	\$218,365	\$201,789	11.28%	19.18%
3.	Network Access	91,084	88,173	82,413	74,011	63,455	9.48%	5.70%
4.	Long Distance Message	39,116	67,823	75,426	65,866	66,148	-12.31%	-42.16%
5.	Miscellaneous	51,545	46,873	43,289	38,059	38,537	7.54%	10.44%
6.	Uncollectibles	(5,613)	(3,343)	(2,471)	(2,042)	(1,860)	31.80%	67.80%
7.	Total Operating Revenue	<u>485,688</u>	<u>458,867</u>	<u>433,504</u>	<u>392,299</u>	<u>368,069</u>	7.18%	6.31%
8.	Operating Expenses	256,783	234,038	214,099	239,587	190,122	7.80%	9.72%
9.	Depreciation & Amortization	117,404	95,023	97,470	81,974	77,093	11.09%	23.55%
10.	Total Operating Taxes	48,115	52,547	48,999	27,564	38,602	5.66%	-8.43%
11.	Total Expenses, Depr. & Taxes	<u>422,302</u>	<u>381,608</u>	<u>360,268</u>	<u>349,125</u>	<u>305,817</u>	8.40%	10.66%
12.	Operating Income	<u>\$63,386</u>	<u>\$75,259</u>	<u>\$73,236</u>	<u>\$43,174</u>	<u>\$62,252</u>	0.45%	-15.78%
13.	Net Plant Investment	<u>\$674,875</u>	<u>\$688,175</u>	<u>\$688,337</u>	<u>\$662,797</u>	<u>\$633,204</u>	1.61%	-1.83%
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14.	Oper. Exp. as a % of Total Revenue	52.87%	51.23%	49.39%	61.07%	51.65%	0.58%	3.21%
15.	Net Plt. Investment per \$ of Revenue	\$1.39	\$1.51	\$1.54	\$1.69	\$1.72	-5.20%	-7.75%
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16.	Local Access Lines:							
17.	Residential	792	762	734	707	677	4.00%	3.94%
18.	Business	230	208	191	195	181	6.17%	10.58%
19.	Total Local Access Lines	<u>1,022</u>	<u>970</u>	<u>925</u>	<u>902</u>	<u>858</u>	4.47%	5.36%
20.	Total Access Lines:							
21.	Residential	792	762	734	707	677	4.00%	3.94%
22.	Business	231	210	194	199	185	5.71%	10.00%
23.	Total Access Lines	<u>1,023</u>	<u>972</u>	<u>928</u>	<u>906</u>	<u>862</u>	4.37%	5.25%
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24.	Estimated Overall Rate of Return	11.02%	13.07%	12.80%	7.88%	11.64%	-1.36%	-15.68%
25.	Estimated Return on Common Equity	13.60%	16.38%	16.51%	7.86%	12.76%	1.63%	-16.97%
26.	Common Equity Ratio	62.23%	62.60%	66.13%	62.61%	64.76%	-0.99%	-0.59%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.45	6.93	7.67	4.27	6.63	1.70%	-6.93%
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28.	LAST RATE CASE	Authorized Return on Common Equity: 15.25% Equity Ratio: 48.40% Date of Order: 3-30-83						

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

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1996 (b)	December 1995 (c)	December 1994 (d)	December 1993 (e)	December 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$77,233	\$60,431	\$54,879	\$51,662	\$48,080	12.58%	27.80%
3.	Network Access	19,387	20,030	18,733	20,601	19,456	-0.09%	-3.21%
4.	Long Distance Message	9,188	22,339	23,809	(1,346)	9,567	-1.01%	-58.87%
5.	Miscellaneous	10,682	10,350	8,997	7,223	7,077	10.84%	3.21%
6.	Uncollectibles	(1,015)	(732)	(430)	(696)	(533)	17.47%	38.66%
7.	Total Operating Revenue	<u>115,475</u>	<u>112,418</u>	<u>103,888</u>	<u>86,444</u>	<u>83,647</u>	<u>8.40%</u>	<u>2.72%</u>
8.	Operating Expenses	72,780	68,124	67,117	68,933	50,113	9.78%	6.83%
9.	Depreciation & Amortization	20,823	13,911	12,915	12,743	11,543	15.89%	49.69%
10.	Total Operating Taxes	8,780	11,842	9,499	3,340	8,662	0.34%	-26.48%
11.	Total Expenses, Depr. & Taxes	<u>102,383</u>	<u>93,977</u>	<u>89,531</u>	<u>85,016</u>	<u>70,318</u>	<u>9.85%</u>	<u>8.94%</u>
12.	Operating Income	<u>\$13,092</u>	<u>\$18,441</u>	<u>\$14,457</u>	<u>\$1,428</u>	<u>\$13,329</u>	<u>-0.45%</u>	<u>-29.01%</u>
13.	Net Plant Investment	<u>\$194,240</u>	<u>\$189,012</u>	<u>\$179,157</u>	<u>\$168,658</u>	<u>\$162,093</u>	<u>4.63%</u>	<u>2.77%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	63.03%	60.60%	64.54%	79.74%	59.91%	1.28%	4.01%
15.	Net Plt. Investment per \$ of Revenue	\$1.68	\$1.68	\$1.72	\$1.95	\$1.94	-3.48%	0.05%
<hr/>								
16.	Local Access Lines:							
17.	Residential	185	179	173	168	164	3.06%	3.35%
18.	Business	58	52	47	52	47	4.48%	7.69%
19.	Total Local Access Lines	<u>241</u>	<u>231</u>	<u>220</u>	<u>220</u>	<u>211</u>	<u>3.38%</u>	<u>4.33%</u>
20.	Total Access Lines:							
21.	Residential	185	179	173	168	164	3.06%	3.35%
22.	Business	57	52	47	52	49	3.85%	9.62%
23.	Total Access Lines	<u>242</u>	<u>231</u>	<u>220</u>	<u>220</u>	<u>213</u>	<u>3.24%</u>	<u>4.76%</u>
<hr/>								
24.	Estimated Overall Rate of Return	8.86%	13.05%	8.36%	1.10%	11.16%	-5.61%	-32.11%
25.	Estimated Return on Common Equity	8.40%	15.10%	15.29%	-2.20%	12.97%	-10.29%	-44.37%
26.	Common Equity Ratio	60.85%	65.95%	67.08%	70.23%	66.50%	5.01%	22.59%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.82	6.22	6.86	2.77	7.10	-4.44%	-4.82%
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28.	LAST RATE CASE	Authorized Return on Common Equity: 15.50% 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 except for data in italics [Lines 24 - 27, Columns (c) - (f)] which is from past Commission Surveillance Reports.
[4] For companies electing price regulation, including Central Telephone Company, information on which this report is based is to be filed on an annual basis for reporting periods beginning after June 30, 1996; therefore, data for such companies included herein will be updated annually beginning with the calendar year 1996.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate		
		March 1997 (b)	March 1996 (c)	March 1995 (d)	March 1994 (e)	March 1993 (f)	Four Year (g)	Current Year (h)	
1.	Operating Revenue:								
2.	Basic Local Service	\$4,134	\$3,406	\$3,289	\$3,212	\$3,123	7.26%	21.37%	
3.	Network Access	2,845	2,752	2,401	2,444	2,125	7.57%	3.38%	
4.	Long Distance Message	1,104	1,878	1,859	1,765	1,784	-11.06%	-41.21%	
5.	Miscellaneous	826	802	810	797	692	4.52%	2.99%	
6.	Uncollectibles	(29)	(10)	(6)	(11)	(16)	16.03%	190.00%	
7.	Total Operating Revenue	<u>8,880</u>	<u>8,828</u>	<u>8,353</u>	<u>8,207</u>	<u>7,688</u>	<u>3.67%</u>	<u>0.59%</u>	
8.	Operating Expenses	3,746	3,737	3,526	3,369	3,332	2.97%	0.24%	
9.	Depreciation & Amortization	2,012	2,003	2,208	1,479	1,522	7.23%	0.45%	
10.	Total Operating Taxes	1,020	988	750	967	936	2.17%	5.37%	
11.	Total Expenses, Depr. & Taxes	<u>6,778</u>	<u>6,708</u>	<u>6,484</u>	<u>5,815</u>	<u>5,790</u>	<u>4.02%</u>	<u>1.04%</u>	
12.	Operating Income	<u>\$2,102</u>	<u>\$2,120</u>	<u>\$1,869</u>	<u>\$2,392</u>	<u>\$1,898</u>	<u>2.58%</u>	<u>-0.85%</u>	
13.	Net Plant Investment	<u>\$17,085</u>	<u>\$16,854</u>	<u>\$17,319</u>	<u>\$17,886</u>	<u>\$17,707</u>	<u>-0.89%</u>	<u>1.37%</u>	
<hr/>									
14.	Oper. Exp. as a % of Total Revenue	42.18%	42.33%	42.21%	41.05%	43.34%	-0.68%	-0.35%	
15.	Net Plt. Investment per \$ of Revenue	\$1.92	\$1.91	\$2.07	\$2.18	\$2.30	-4.41%	0.52%	
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16.	Local Access Lines:								
17.	Residential	14	14	13	13	12	3.93%	0.00%	
18.	Business	3	3	3	2	2	10.67%	0.00%	
19.	Total Local Access Lines	<u>17</u>	<u>17</u>	<u>16</u>	<u>15</u>	<u>14</u>	<u>4.97%</u>	<u>0.00%</u>	
20.	Total Access Lines:								
21.	Residential	14	14	13	13	12	3.93%	0.00%	
22.	Business	3	3	3	2	2	10.67%	0.00%	
23.	Total Access Lines	<u>17</u>	<u>17</u>	<u>16</u>	<u>15</u>	<u>14</u>	<u>4.97%</u>	<u>0.00%</u>	
<hr/>									
24.	Estimated Overall Rate of Return	12.64%	12.73%	10.29%	<i>14.97%</i>	<i>11.73%</i>	1.89%	-0.71%	
25.	Estimated Return on Common Equity	16.81%	17.53%	13.02%	<i>22.57%</i>	<i>16.63%</i>	0.27%	-4.11%	
26.	Common Equity Ratio	52.55%	49.66%	46.64%	<i>48.46%</i>	<i>44.87%</i>	4.03%	5.82%	
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.55	4.29	3.49	<i>3.18</i>	<i>3.10</i>	10.07%	6.06%	
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28.	LAST RATE CASE	Authorized Return on Common Equity: 12.70% Equity Ratio: 44.95%					Date of Order: 2-26-91		

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 74% of total North Carolina revenue, i.e., intrastate and interstate revenue.

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

[3] Source of Data: NCUC TS-1 Reports except for data in italics [Lines 24-27, Columns (e) - (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual		
		March 1997 (b)	March 1998 (c)	March 1998 (d)	March 1994 (e)	March 1993 (f)	Growth Four Year (g)	Rate Current Year (h)	
1.	Operating Revenue:								
2.	Basic Local Service	\$25,197	\$21,791	\$19,644	\$16,478	\$15,371	13.15%	15.63%	
3.	Network Access	4,042	3,718	3,455	3,060	2,630	11.34%	8.71%	
4.	Long Distance Message	9,419	5,821	5,782	6,543	6,108	11.44%	61.81%	
5.	Miscellaneous	5,965	4,962	4,560	4,426	4,422	7.77%	20.21%	
6.	Uncollectibles	(169)	(179)	(55)	(314)	(479)	-22.93%	-5.59%	
7.	Total Operating Revenue	<u>44,454</u>	<u>36,113</u>	<u>33,388</u>	<u>30,193</u>	<u>28,052</u>	<u>12.20%</u>	<u>23.10%</u>	
8.	Operating Expenses	26,579	16,432	14,128	13,979	12,449	20.88%	61.75%	
9.	Depreciation & Amortization	7,363	9,440	11,297	7,120	6,568	2.90%	-22.00%	
10.	Total Operating Taxes	<u>5,008</u>	<u>4,791</u>	<u>3,896</u>	<u>4,254</u>	<u>4,105</u>	<u>5.10%</u>	<u>4.53%</u>	
11.	Total Expenses, Depr. & Taxes	<u>38,950</u>	<u>30,663</u>	<u>29,320</u>	<u>25,353</u>	<u>23,122</u>	<u>13.93%</u>	<u>27.03%</u>	
12.	Operating Income	<u>\$5,504</u>	<u>\$5,450</u>	<u>\$4,066</u>	<u>\$4,840</u>	<u>\$4,930</u>	<u>2.79%</u>	<u>0.99%</u>	
13.	Net Plant Investment	<u>\$51,732</u>	<u>\$44,659</u>	<u>\$41,618</u>	<u>\$44,803</u>	<u>\$46,443</u>	<u>2.73%</u>	<u>15.84%</u>	
<hr/>									
14.	Oper. Exp. as a % of Total Revenue	59.79%	45.50%	42.32%	46.30%	44.38%	7.74%	31.41%	
15.	Net Plt. Investment per \$ of Revenue	\$1.16	\$1.24	\$1.25	\$1.48	\$1.66	-8.57%	-6.45%	
<hr/>									
16.	Local Access Lines:								
17.	Residential	77	74	71	69	68	3.16%	4.05%	
18.	Business	21	19	17	16	15	8.78%	10.53%	
19.	Total Local Access Lines	<u>98</u>	<u>93</u>	<u>88</u>	<u>85</u>	<u>83</u>	<u>4.24%</u>	<u>5.38%</u>	
20.	Total Access Lines:								
21.	Residential	77	74	71	69	68	3.16%	4.05%	
22.	Business	21	19	17	16	15	8.78%	10.53%	
23.	Total Access Lines	<u>98</u>	<u>93</u>	<u>88</u>	<u>85</u>	<u>83</u>	<u>4.24%</u>	<u>5.38%</u>	
<hr/>									
24.	Estimated Overall Rate of Return	13.88%	16.02%	12.64%	<i>14.31%</i>	<i>13.81%</i>	0.13%	-13.36%	
25.	Estimated Return on Common Equity	14.86%	17.57%	13.55%	<i>16.51%</i>	<i>14.89%</i>	-0.05%	-15.42%	
26.	Common Equity Ratio	88.74%	86.01%	82.83%	<i>88.14%</i>	<i>86.73%</i>	0.57%	3.17%	
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	44.09	36.99	18.31	<i>25.26</i>	<i>23.88</i>	16.84%	19.19%	
<hr/>									
28.	LAST RATE CASE	Authorized Return on Common Equity: 15.50% Equity Ratio: 58.59%					Date of Order: 6-17-83		

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 78% of total North Carolina revenue, i.e., intrastate and interstate revenue.

[2] Net plant investment reflects net plant in service.

[3] Source of Data: NCUC TS-1 Reports except for data in italics [Lines 24 - 27, Columns (e) - (f)] which is from past Commission Surveillance Reports.

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 1996 (b)	December 1995 (c)	December 1994 (d)	December 1993 (e)	December 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$103,423	\$91,407	\$88,354	\$84,313	\$79,818	6.09%	13.15%
3.	Network Access	\$52,837	40,840	48,488	57,687	35,487	10.36%	28.89%
4.	Long Distance Message	\$15,488	22,425	14,970	73	22,163	-8.57%	-30.93%
5.	Miscellaneous	\$14,049	14,227	4,180	17,220	17,948	-5.94%	-1.25%
6.	Uncollectibles	(\$1,874)	(3,152)	42	(1,892)	(1,834)	0.54%	-40.55%
7.	Total Operating Revenue	183,723	165,747	158,032	157,401	153,580	4.58%	10.85%
8.	Operating Expenses	86,905	82,367	83,900	67,166	70,994	5.19%	5.51%
9.	Depreciation & Amortization	60,916	35,422	33,180	29,187	31,577	17.85%	71.97%
10.	Total Operating Taxes	13,862	20,898	14,880	23,118	18,557	-7.03%	-33.98%
11.	Total Expenses, Depr. & Taxes	181,883	138,785	131,840	119,469	121,128	7.49%	16.50%
12.	Other Operating (Income) & Expense	62	(3)	(391)	(80)	(111)	N/A	N/A
13.	Operating Income	\$21,878	\$26,985	\$24,483	\$37,992	\$32,583	-9.38%	-18.49%
14.	Net Plant Investment	\$355,008	\$355,020	\$354,833	\$343,545	\$334,148	1.53%	N/A
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	47.30%	49.89%	53.77%	42.87%	46.23%	0.58%	-4.81%
16.	Net Plt. Investment per \$ of Revenue	\$1.83	\$2.14	\$2.27	\$2.18	\$2.18	-2.82%	-9.79%
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17.	Local Access Lines:							
18.	Residential	210	199	192	186	180	3.93%	5.53%
19.	Business	109	97	88	82	75	9.80%	12.37%
20.	Total Local Access Lines	319	296	280	268	255	5.78%	7.77%
21.	Total Access Lines:							
22.	Residential	210	199	192	186	180	3.93%	5.53%
23.	Business	184	136	120	115	91	15.86%	20.59%
24.	Total Access Lines	374	335	312	301	271	8.39%	11.84%
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25.	Estimated Overall Rate of Return	10.25%	9.82%	N/A	N/A	N/A	N/A	4.38%
26.	Estimated Return on Common Equity	11.74%	11.17%	N/A	N/A	N/A	N/A	5.10%
27.	Common Equity Ratio	59.59%	58.20%	N/A	N/A	N/A	N/A	2.39%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.81	4.45	N/A	N/A	N/A	N/A	3.80%
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29.	LAST RATE CASE	Authorized Return on Common Equity: 13.90%		Equity Ratio: 50.00%		Date of Order: 9-16-86		

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 74% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data on Lines 2 - 11 and Lines 17 - 24, Columns (d) - (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] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.
[5] For companies electing price regulation, including GTE South Incorporated, information on which this report is based is to be filed on an annual basis for reporting periods beginning after June 30, 1996; therefore, data for such companies included herein will be updated annually beginning with the calendar year 1996.

LEXINGTON 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 1997 (b)	March 1996 (c)	March 1995 (d)	March 1994 (e)	March 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$8,705	\$8,730	\$5,924	\$5,291	\$4,882	N/A	N/A
3.	Network Access	3,314	9,958	9,324	8,426	8,290	N/A	N/A
4.	Long Distance Message	858	1,659	1,811	2,228	2,638	N/A	N/A
5.	Miscellaneous	2,805	3,115	2,841	2,588	3,341	N/A	N/A
6.	Uncollectibles	(110)	(100)	(90)	(79)	(99)	N/A	N/A
7.	Total Operating Revenue	15,572	21,360	19,810	18,452	19,050	N/A	N/A
8.	Operating Expenses	8,675	11,531	10,852	10,666	10,554	N/A	N/A
9.	Depreciation & Amortization	2,880	3,156	2,832	2,697	2,523	N/A	N/A
10.	Total Operating Taxes	2,732	2,459	2,559	2,142	2,458	N/A	N/A
11.	Total Expenses, Depr. & Taxes	14,287	17,146	16,243	15,505	15,535	N/A	N/A
12.	Operating Income	\$1,285	\$4,214	\$3,567	\$2,947	\$3,515	N/A	N/A
13.	Net Plant Investment	\$31,271	\$39,136	\$36,156	\$32,972	\$31,107	N/A	N/A
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14.	Oper. Exp. as a % of Total Revenue	55.71%	53.98%	54.78%	57.80%	55.40%	N/A	N/A
15.	Net Plt. Investment per \$ of Revenue	\$2.01	\$1.83	\$1.83	\$1.79	\$1.63	N/A	N/A
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16.	Local Access Lines:							
17.	Residential	23	22	21	21	20	N/A	N/A
18.	Business	9	8	8	8	8	N/A	N/A
19.	Total Local Access Lines	32	30	29	27	28	N/A	N/A
20.	Total Access Lines:							
21.	Residential	23	22	21	21	20	N/A	N/A
22.	Business	9	8	8	8	8	N/A	N/A
23.	Total Access Lines	32	30	29	27	28	N/A	N/A
<hr/>								
24.	Estimated Overall Rate of Return	5.48%	13.59%	12.33%	9.55%	12.43%	N/A	N/A
25.	Estimated Return on Common Equity	4.88%	14.85%	13.35%	9.74%	13.01%	N/A	N/A
26.	Common Equity Ratio	78.39%	80.04%	82.86%	90.20%	88.53%	N/A	N/A
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	10.05	12.76	17.55	20.07	27.71	N/A	N/A
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28.	LAST RATE CASE	Authorized Return on Common Equity: 16.25% Equity Ratio: 37.22%					Date of Order: 6-14-82	

Notes: [1] For the twelve months ended March 31, 1997, North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 88% of total North Carolina revenue, i.e., intrastate and interstate revenue [Column (b)]. Prior to this reporting period rates on which this report is based are set on a total company basis [Columns (c) - (f)].

[2] Net plant investment reflects net plant in service.

[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Columns (e) - (f)] which is from past Commission Surveillance Reports.

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

MEBTEL COMMUNICATIONS
SELECTED FINANCIAL AND OPERATIONAL DATA
Total Company Utility Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1997 (b)	March 1998 (c)	March 1998 (d)	March 1994 (e)	March 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$1,931	\$1,732	\$1,617	\$1,559	\$1,156	13.69%	11.49%
3.	Network Access	2,737	2,532	2,505	2,510	2,857	-1.07%	8.10%
4.	Long Distance Message	603	617	486	374	340	15.40%	-2.27%
5.	Miscellaneous	155	192	184	113	142	2.21%	-19.27%
6.	Uncollectibles	(84)	(46)	(29)	(27)	(13)	48.98%	39.13%
7.	Total Operating Revenue	<u>5,362</u>	<u>5,027</u>	<u>4,763</u>	<u>4,529</u>	<u>4,482</u>	<u>4.58%</u>	<u>6.66%</u>
8.	Operating Expenses	3,542	3,489	3,366	2,854	2,419	10.00%	1.52%
9.	Depreciation & Amortization	776	563	929	868	538	9.59%	37.83%
10.	Total Operating Taxes	<u>444</u>	<u>136</u>	<u>(39)</u>	<u>269</u>	<u>577</u>	<u>-6.34%</u>	<u>226.47%</u>
11.	Total Expenses, Depr. & Taxes	<u>4,762</u>	<u>4,188</u>	<u>4,256</u>	<u>3,991</u>	<u>3,534</u>	<u>7.74%</u>	<u>13.71%</u>
12.	Operating Income	<u>\$800</u>	<u>\$839</u>	<u>\$507</u>	<u>\$538</u>	<u>\$948</u>	<u>-10.81%</u>	<u>-28.49%</u>
13.	Net Plant Investment	<u>\$6,299</u>	<u>\$6,175</u>	<u>\$6,165</u>	<u>\$5,573</u>	<u>\$5,801</u>	<u>2.08%</u>	<u>2.01%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	68.06%	69.41%	70.67%	63.02%	53.97%	5.18%	-4.83%
15.	Net Plt. Investment per \$ of Revenue	\$1.17	\$1.23	\$1.29	\$1.23	\$1.29	-2.41%	-4.88%
<hr/>								
16.	Local Access Lines:							
17.	Residential	7	6	6	6	6	3.93%	16.67%
18.	Business	2	2	1	1	1	18.92%	0.00%
19.	Total Local Access Lines	<u>9</u>	<u>8</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>6.48%</u>	<u>12.50%</u>
20.	Total Access Lines:							
21.	Residential	7	6	6	6	6	3.93%	16.67%
22.	Business	2	2	1	1	1	18.92%	0.00%
23.	Total Access Lines	<u>9</u>	<u>8</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>6.48%</u>	<u>12.50%</u>
<hr/>								
24.	Estimated Overall Rate of Return	9.55%	13.61%	10.42%	<i>19.16%</i>	<i>9.85%</i>	-0.77%	-29.83%
25.	Estimated Return on Common Equity	13.33%	23.32%	15.55%	<i>32.85%</i>	<i>19.58%</i>	-9.14%	-42.84%
26.	Common Equity Ratio	47.82%	43.66%	49.07%	<i>49.87%</i>	<i>48.32%</i>	-0.26%	9.53%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.80	4.01	4.49	<i>8.90</i>	<i>5.40</i>	-3.93%	14.71%
<hr/>								
28.	LAST RATE CASE	Authorized Return on Common Equity: 16.50% 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 except for data in Italics [Lines 24 - 27, Columns (e) - (f)] which is from past Commission Surveillance Reports.

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 1997 (b)	March 1996 (c)	March 1995 (d)	March 1994 (e)	March 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$23,948	\$19,384	\$17,296	\$16,057	\$12,496	17.66%	23.67%
3.	Network Access	27,203	27,163	25,283	22,802	22,304	5.09%	0.15%
4.	Long Distance Message	2,330	5,475	5,389	5,417	8,204	-27.00%	-57.44%
5.	Miscellaneous	5,962	5,920	5,506	4,855	5,264	3.16%	0.71%
6.	Uncollectibles	(490)	(416)	(384)	(455)	(468)	1.26%	17.79%
7.	Total Operating Revenue	<u>58,953</u>	<u>57,506</u>	<u>53,060</u>	<u>48,476</u>	<u>47,802</u>	<u>5.38%</u>	<u>2.52%</u>
8.	Operating Expenses	26,209	26,301	24,597	25,267	24,630	1.57%	-0.35%
9.	Depreciation & Amortization	11,131	11,817	9,245	8,262	6,895	12.72%	-5.81%
10.	Total Operating Taxes	<u>9,400</u>	<u>8,303</u>	<u>7,745</u>	<u>6,175</u>	<u>8,328</u>	<u>10.40%</u>	<u>13.21%</u>
11.	Total Expenses, Depr. & Taxes	<u>46,740</u>	<u>46,421</u>	<u>41,587</u>	<u>39,705</u>	<u>37,853</u>	<u>5.41%</u>	<u>0.69%</u>
12.	Other Operating (Income) & Expense	5	(532)	1,675	(142)	(135)	N/A	-100.94%
13.	Operating Income	<u>\$12,208</u>	<u>\$11,817</u>	<u>\$9,828</u>	<u>\$8,913</u>	<u>\$10,084</u>	<u>4.89%</u>	<u>5.09%</u>
14.	Net Plant Investment	<u>\$85,185</u>	<u>\$80,871</u>	<u>\$74,330</u>	<u>\$70,372</u>	<u>\$69,241</u>	<u>5.32%</u>	<u>5.35%</u>
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	44.46%	45.74%	46.33%	52.12%	51.53%	-3.62%	-2.80%
16.	Net Plt. Investment per \$ of Revenue	\$1.45	\$1.41	\$1.40	\$1.45	\$1.45	-0.06%	2.76%
<hr/>								
17.	Local Access Lines:							
18.	Residential	76	73	71	69	67	3.20%	4.11%
19.	Business	35	33	29	28	27	6.70%	6.06%
20.	Total Local Access Lines	<u>111</u>	<u>106</u>	<u>100</u>	<u>97</u>	<u>94</u>	<u>4.24%</u>	<u>4.72%</u>
21.	Total Access Lines:							
22.	Residential	76	73	71	69	67	3.20%	4.11%
23.	Business	36	33	30	29	27	7.46%	9.09%
24.	Total Access Lines	<u>112</u>	<u>106</u>	<u>101</u>	<u>98</u>	<u>94</u>	<u>4.48%</u>	<u>5.66%</u>
<hr/>								
25.	Estimated Overall Rate of Return	15.82%	16.49%	15.10%	<i>14.17%</i>	<i>15.40%</i>	0.67%	-4.06%
26.	Estimated Return on Common Equity	16.38%	17.25%	15.84%	<i>14.81%</i>	<i>16.55%</i>	-0.26%	-5.04%
27.	Common Equity Ratio	94.17%	92.90%	91.81%	<i>90.20%</i>	<i>87.88%</i>	1.75%	1.37%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	<i>91.96</i>	<i>78.06</i>	<i>57.69</i>	<i>28.87</i>	<i>22.63</i>	42.94%	20.90%
<hr/>								
29.	LAST RATE CASE	Authorized Return on Common Equity: N/A			Equity Ratio: N/A		Date of Order: 6-13-52	

Notes: [1] Rates are set on a total company basis.
[2] Net plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in italics (Lines 25 - 28, Columns (e) - (f)) which is from past Commission Surveillance Reports.
[4] N/A denotes that data is not available or not applicable or that information is, essentially, unmeaningful.

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