

# *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 September 30, 1996* ■

## *Table of Contents*

---

<i>Part</i>		<i>Page</i>
I	<i>Introduction</i>	1
II	<i>Review of Key Financial Ratios:</i>	6
	▣ <i>Summary Statement of Key Financial Ratios For 18 Selected Companies For The Twelve Months Ended September 30, 1996 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios</i>	7
	▣ <i>Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By <u>Public Utilities Reports</u>, Volume Nos. 162-175, from May 1995 Through March 1997</i>	10
III	<i>Overviews of Selected Financial and Operational Data:</i>	12
	▣ <i>Electric Companies:</i>	
	▪ <i>Carolina Power &amp; Light Company</i>	13
	▪ <i>Duke Power Company</i>	14
	▪ <i>Nantahala Power and Light Company</i>	15
	▪ <i>North Carolina Power</i>	16
	▣ <i>Natural Gas Local Distribution Companies:</i>	
	▪ <i>North Carolina Gas Service, Division of NUI</i>	17
	▪ <i>North Carolina Natural Gas Corporation</i>	18
	▪ <i>Piedmont Natural Gas Company, Inc.</i>	19
	▪ <i>Public Service Company of North Carolina, Inc.</i>	20
	▣ <i>Telecommunications Companies:</i>	
	▪ <i>ALLTEL Carolina, Inc.</i>	21
	▪ <i>BellSouth Telecommunications, Inc.</i>	22
	▪ <i>Carolina Telephone and Telegraph Company</i>	23
	▪ <i>Central Telephone Company</i>	24

*Table of Contents — continued*

---

<i>Part</i>	<i>Page</i>
<b>III</b> <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>
<b>IV</b> <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 concerning this report.**

---

## ***Part II***

### ***A Review of Key Financial Ratios***

- ▣ ***Summary Statement of Key Financial Ratios For 18 Selected Companies For The Twelve Months Ended September 30, 1996 — 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. 162-175, from May 1995 Through March 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 September 30, 1996, Except For Certain  
Telecommunications Companies - See Note [1])**

<b>Line No.</b>	<b>Item (a)</b>	<b>Return on Equity (b)</b>	<b>Overall Rate of Return (c)</b>	<b>Equity Ratio (d)</b>	<b>Pre-tax Interest Coverage Ratio (e)</b>
<b><i>Electric Companies</i></b>					
1.	Carolina Power & Light Company	12.61%	9.89%	51.31%	4.72
2.	Duke Power Company	12.12%	9.92%	53.44%	5.01
3.	Nantahala Power and Light Company	6.48%	7.04%	63.66%	2.97
4.	North Carolina Power	10.44%	8.80%	46.03%	3.48
<b><i>Natural Gas Local Distribution Companies</i></b>					
5.	North Carolina Gas Service, Division of NUI	N/A	N/A	N/A	N/A
6.	North Carolina Natural Gas Corporation	12.21%	10.64%	60.02%	4.66
7.	Piedmont Natural Gas Company, Inc.	11.89%	10.13%	51.52%	3.47
8.	Public Service Company of North Carolina, Inc.	12.82%	10.61%	51.29%	3.63
<b><i>Telecommunications Companies</i></b>					
9.	ALLTEL Carolina, Inc.	17.96%	14.11%	61.89%	7.01
10.	BellSouth Telecommunications, Inc. *	16.07%	12.12%	57.63%	6.63
11.	Carolina Telephone and Telegraph Company *	17.21%	13.58%	62.72%	7.35
12.	Central Telephone Company *	12.41%	11.77%	69.26%	5.40
13.	Citizens Telephone Company	15.34%	11.76%	51.19%	4.17
14.	Concord Telephone Company	17.06%	15.75%	87.80%	40.72
15.	GTE South Incorporated *	11.47%	9.95%	61.01%	3.38
16.	Lexington Telephone Company	13.86%	12.67%	79.36%	12.63
17.	MEBTEL Communications	22.55%	13.69%	46.32%	3.74
18.	North State Telephone Company	14.27%	13.80%	93.60%	67.72

**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 June 30, 1996.

[2] Information presented is on a North Carolina jurisdictional basis except for Lexington Telephone Company, 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 September 30, 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 September 30, 1996)

**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. 11, March 17, 1997 follow:**

**Part I**

Line No.	Date (a)	U.S. Treasury Securities			Dealer-Placed 3-Month CP (e)	Moody's Long-Term Corporate Bond Yield (f)
		3-Month Bill % (b)	10-Year Note % (c)	30-Year Bond % (d)		
1.	March 13, 1997	5.12	6.70	6.96	5.47	7.87
2.	Month of February 1997	5.00	6.41	6.68	5.40	7.59
3.	Month of January 1997	5.03	6.55	6.82	5.45	7.71
4.	Past 12 Months:					
5.	Average	5.01	6.53	6.80	5.43	7.71
6.	Low	4.88	6.05	6.33	4.48	7.00
7.	High	5.22	7.06	7.19	5.65	8.08

**Part II**

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

Line No.	Rating (a)	03/13/97 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	Feb. 1997 (e)	Jan. 1997 (f)
1.	Aaa	7.75	7.90	6.82	7.47	7.53
2.	Aa	7.88	7.96	6.92	7.60	7.68
3.	A	7.91	8.15	7.14	7.64	7.77

**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 September 30, 1996)

**NOTES - continued**

**NOTES: [6] Selected financial market indicators from "Moody's Credit Perspectives", Volume 90, No. 11, March 17, 1996 follow - continued:**

**Part III**

**New offerings by public utilities - listing is all inclusive for week of March 17, 1997:**

<b>Line No.</b>	<b>Company Name (a)</b>	<b>Amount (b)</b>	<b>Term (c)</b>	<b>Yield</b>		<b>Rating (f)</b>
				<b>Current (d)</b>	<b>Maturity (e)</b>	
1.	Tennessee Gas Pipeline Co.	\$300 Million	20 Years	7.50%	7.583%	Baa3
2.	Tennessee Gas Pipeline Co.	\$300 Million	30 Years	7.00%	7.087%	Baa3
3.	Tennessee Gas Pipeline Co.	\$300 Million	40 Years	7.63%	7.723%	Baa3

**Statement of Authorized Returns  
On Common Equity and Overall Rates of Return  
Granted By Various Public Utility Regulatory Agencies As Reported In  
Public Utilities Reports, Volume Nos. 162-175, from May 1995 through March 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)		
<b>Electric Companies</b>					
1.	IES Utilities, Inc. (IA)	11.625%	N/A	5/12/95	Volume 162
2.	Potomac Electric Power Company (DC)	11.10%	9.09%	6/30/95	Volume 162
3.	Massachusetts Electric Company (MA)	11.00%	N/A	9/29/95	Volume 164
4.	New York State Electric and Gas Corp. (NY)	11.10-11.20%	N/A	9/27/95	Volume 165
5.	Pacific Gas and Electric Company (CA)	11.60%	9.49%	11/21/95	Volume 165
6.	Southern California Edison Company (CA)	11.60%	9.55%	11/21/95	Volume 165
7.	San Diego Gas & Electric Company (CA)	11.60%	9.37%	11/21/95	Volume 165
8.	Sierra Pacific Power Company (CA)	11.60%	9.59%	11/21/95	Volume 165
9.	South Carolina Electric and Gas Company (SC)	12.00%	9.60%	1/9/96	Volume 167
10.	Consumers Power Company (MI)	12.25%	8.05%	2/5/96	Volume 167
11.	Cleveland Electric Illuminating Company (OH)	12.59%	10.06%	4/11/96	Volume 168
12.	Toledo Edison Company (OH)	12.59%	10.06%	4/11/96	Volume 168
13.	PacifiCorp, dba Pacific Power and Light Co. (OR)	N/A	N/A	7/10/96	Volume 171
14.	PSI Energy, Inc. (IN)	11.00%	8.21%	9/27/96	Volume 173
<b>Natural Gas Local Distribution Companies</b>					
15.	National Fuel Gas Distribution Corporation (NY)	10.40%	N/A	9/15/95	Volume 164
16.	Washington Gas Light Company, Va. Div. (VA)	11.50%	N/A	9/28/95	Volume 164
17.	Shenandoah Gas Company (VA)	N/A	8.33%	9/18/95	Volume 164
18.	Mountain Fuel Supply Company (UT)	N/A	10.22-10.34%	10/17/95	Volume 165
19.	Pacific Gas and Electric Company (CA)	12.10%	9.03%	11/21/95	Volume 165
20.	San Diego Gas & Electric Company (CA)	11.60%	9.37%	11/21/95	Volume 165
21.	Southern California Gas Company (CA)	11.60%	9.42%	11/21/95	Volume 165
22.	Connecticut Natural Gas Corporation (CT)	10.76%	9.58%	10/13/95	Volume 166
23.	Northern States Power Company (WI)	11.30%	10.72%	12/21/95	Volume 165
24.	Virginia Natural Gas, Inc. (VA)	11.30%	9.64%	1/30/96	Volume 167
25.	Interstate Power Company (MN)	10.75%	8.817%	2/29/96	Volume 167
26.	Consumers Power Company (MI)	11.60%	7.83%	3/11/96	Volume 167
27.	Montana-Dakota Utilities Company (MT)	12.00%	10.913%	4/11/96	Volume 168

**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. 162-175, from May 1995 through March 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)		
<b>Natural Gas Local Distribution Companies - continued</b>					
28.	Minnegasco, a Div. of NorAm Energy Corp. (MN)	11.00%	9.76%	6/10/96	Volume 170
29.	Western Resources, Inc.(KS)	10.50%	8.93%	4/13/96	Volume 171
30.	Northern States Power Company (ND)	12.00%	9.405%	8/7/96	Volume 171
31.	Laclede Gas Company (MO)	11.00%	N/A	8/28/96	Volume 172
<b>Telecommunications Companies</b>					
32.	U S West Communications, Inc. (UT)	11.50%	9.72%	11/6/95	Volume 165
33.	South Central Bell Telephone Company (TN)	12.50%	10.35%	1/23/96	Volume 166
34.	New England Telephone and Telegraph Co. (VT)	11.50%	N/A	2/13/96	Volume 168
35.	U S West Communications, Inc. (WA)	11.30%	9.367%	4/11/96	Volume 169
<b>Water Companies</b>					
36.	Fulton Water Company (CA)	N/A	11.80%	10/5/95	Volume 165
37.	Indiana-American Water Company, Inc. (IN)	11.00%	N/A	5/30/96	Volume 169
38.	Citizens Utilities Water Company of Penn. (PA)	10.80%	8.83%	3/29/96	Volume 169
39.	Venture Associates Utilities Corp. (FL)	10.35%	N/A	6/18/96	Volume 170
40.	San Gabriel Valley Water Company (CA)	10.30%	9.73-10.03%	7/17/96	Volume 171
41.	Kentucky-American Water Company (KY)	13.00%	N/A	7/31/96	Volume 172

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*
- *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*

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,105,277	\$2,020,913	\$1,995,148	\$1,959,708	\$1,858,538	3.17%	4.17%
2.	Operating Expenses:							
3.	Fuel	329,441	350,642	328,382	354,487	299,040	2.45%	-6.05%
4.	Purchased Power	275,774	263,287	264,228	225,231	218,683	5.97%	4.74%
5.	Maintenance	166,358	141,673	144,863	182,059	154,221	1.91%	17.42%
6.	Other Operating Expenses	370,397	382,825	368,906	319,794	319,466	3.77%	-3.25%
7.	Total Operating Expenses	1,141,970	1,138,427	1,106,379	1,081,571	991,410	3.60%	0.31%
8.	Depreciation & Amortization	280,462	267,189	301,382	292,308	280,306	0.01%	4.97%
9.	Total Expenses & Depreciation	1,422,432	1,405,616	1,407,761	1,373,879	1,271,716	2.84%	1.20%
10.	Total Operating Taxes	320,821	264,933	248,893	237,806	234,730	8.12%	21.10%
11.	Total Expenses, Depr. & Taxes	1,743,253	1,670,549	1,656,654	1,611,685	1,506,446	3.72%	4.35%
12.	Operating Income	<u>\$362,024</u>	<u>\$350,364</u>	<u>\$338,494</u>	<u>\$348,023</u>	<u>\$352,092</u>	<u>0.70%</u>	<u>3.33%</u>
13.	Net Plant Investment	<u>\$4,200,392</u>	<u>\$4,311,819</u>	<u>\$4,225,780</u>	<u>\$4,157,190</u>	<u>\$4,183,492</u>	<u>0.10%</u>	<u>-2.58%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	54.24%	56.33%	55.45%	55.19%	53.34%	0.42%	-3.71%
15.	Net Plt. Investment per \$ of Revenue	\$2.00	\$2.13	\$2.12	\$2.12	\$2.25	-2.90%	-6.10%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	811	794	760	750	731	2.63%	2.14%
18.	Commercial	140	135	129	127	124	3.08%	3.70%
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>957</u>	<u>935</u>	<u>895</u>	<u>883</u>	<u>861</u>	<u>2.68%</u>	<u>2.35%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	10,835	9,797	9,632	9,671	8,728	5.55%	10.60%
24.	Commercial	8,155	7,654	7,365	7,267	6,746	4.86%	6.55%
25.	Industrial	11,087	11,027	10,732	10,377	9,908	2.85%	0.54%
26.	Other	4,342	2,854	1,619	1,027	1,481	30.85%	52.14%
27.	Total Sales	<u>34,419</u>	<u>31,332</u>	<u>29,348</u>	<u>28,342</u>	<u>26,863</u>	<u>6.39%</u>	<u>9.85%</u>
<hr/>								
28.	Estimated Overall Rate of Return	9.89%	10.12%	<i>9.54%</i>	<i>9.61%</i>	<i>9.56%</i>	0.85%	-2.27%
29.	Estimated Return on Common Equity	12.61%	13.26%	<i>12.10%</i>	<i>12.12%</i>	<i>11.44%</i>	2.46%	-4.90%
30.	Common Equity Ratio	51.31%	49.28%	<i>49.43%</i>	<i>47.47%</i>	<i>45.73%</i>	2.92%	4.12%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.72	4.02	<i>3.90</i>	<i>3.54</i>	<i>3.24</i>	9.86%	17.41%
<hr/>								
32.	<b>LAST RATE CASE</b>	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 70% 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 (d) - (f)] which is from past Commission Surveillance Reports.

**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	
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,875,104	\$2,730,768	\$2,678,159	\$2,658,044	\$2,539,781	3.15%	5.29%
2.	Operating Expenses:							
3.	Fuel	477,988	439,107	429,212	418,190	409,317	3.95%	8.85%
4.	Purchased Power	270,526	290,076	301,829	311,475	307,678	-3.17%	-6.74%
5.	Maintenance	298,837	282,773	256,780	257,990	257,330	3.81%	5.68%
6.	Other Operating Expenses	555,644	503,941	480,881	441,272	424,737	6.95%	10.26%
7.	Total Operating Expenses	1,602,995	1,515,897	1,468,702	1,428,927	1,399,062	3.46%	5.75%
8.	Depreciation & Amortization	315,653	291,320	297,402	331,249	320,451	-0.38%	8.35%
9.	Total Expenses & Depreciation	1,918,648	1,807,217	1,766,104	1,760,176	1,719,513	2.78%	6.17%
10.	Total Operating Taxes	437,855	419,662	419,694	401,075	351,261	5.66%	4.34%
11.	Total Expenses, Depr. & Taxes	2,356,503	2,226,879	2,185,798	2,161,251	2,070,774	3.28%	5.82%
12.	Operating Income	<u>\$518,601</u>	<u>\$503,889</u>	<u>\$492,361</u>	<u>\$496,793</u>	<u>\$469,007</u>	2.54%	2.92%
13.	Net Plant Investment	<u>\$5,938,479</u>	<u>\$5,731,016</u>	<u>\$5,650,593</u>	<u>\$5,583,936</u>	<u>\$5,423,012</u>	2.30%	3.62%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	55.75%	55.51%	54.84%	53.76%	55.09%	0.30%	0.43%
15.	Net Plt. Investment per \$ of Revenue	\$2.07	\$2.10	\$2.11	\$2.10	\$2.14	-0.83%	-1.43%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	1,180	1,155	1,129	1,108	1,086	2.10%	2.16%
18.	Commercial	186	180	175	170	166	2.88%	3.33%
19.	Industrial	7	7	7	7	7	0.00%	0.00%
20.	Other	7	6	6	6	6	3.93%	16.67%
21.	Total Number of Customers	1,380	1,348	1,317	1,291	1,265	2.20%	2.37%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	15,748	14,468	14,513	14,518	13,272	4.37%	8.85%
24.	Commercial	14,953	14,045	13,672	13,076	12,422	4.75%	6.46%
25.	Industrial	17,504	17,558	17,153	16,429	15,863	2.49%	-0.31%
26.	Other	201	195	190	185	179	2.94%	3.08%
27.	Total Sales	<u>48,406</u>	<u>46,266</u>	<u>45,528</u>	<u>44,208</u>	<u>41,736</u>	3.78%	4.63%
<hr/>								
28.	Estimated Overall Rate of Return	9.92%	10.08%	<i>10.02%</i>	<i>10.11%</i>	<i>9.69%</i>	0.59%	-1.59%
29.	Estimated Return on Common Equity	12.12%	12.55%	<i>12.61%</i>	<i>12.55%</i>	<i>11.28%</i>	1.81%	-3.43%
30.	Common Equity Ratio	53.44%	52.05%	<i>51.80%</i>	<i>50.64%</i>	<i>50.37%</i>	1.49%	2.67%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.01	5.00	<i>5.15</i>	<i>4.77</i>	<i>3.40</i>	10.18%	0.20%
<hr/>								
32.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 12.50%			Equity Ratio: 49.82%	Date of Order: 11-12-91		

Notes: [1] North Carolina retail jurisdictional revenue equates to 65% 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 (d) - (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual	
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Growth Year (g)	Rate Current Year (h)
1.	Operating Revenue	\$66,231	\$59,926	\$67,412	\$60,456	\$56,837	3.90%	10.52%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	7,242	5,852	11,068	9,943	120	178.72%	23.75%
4.	Purchased Power - Regular	26,444	23,607	23,541	22,554	31,281	-4.11%	12.02%
5.	Maintenance	5,564	4,573	4,719	4,951	4,484	5.54%	21.67%
6.	Other Operating Expenses	7,323	8,172	8,344	7,390	6,772	1.97%	-10.39%
7.	Total Operating Expenses	46,573	42,204	47,672	44,838	42,657	2.22%	10.35%
8.	Depreciation & Amortization	5,476	4,534	4,274	4,488	4,445	5.35%	20.78%
9.	Total Expenses & Depreciation	52,049	46,738	51,946	49,326	47,102	2.53%	11.36%
10.	Total Operating Taxes	6,415	6,273	7,577	5,650	5,230	5.24%	2.26%
11.	Total Expenses, Depr. & Taxes	58,464	53,011	59,523	54,976	52,332	2.81%	10.29%
12.	Operating Income	<u>\$7,767</u>	<u>\$6,915</u>	<u>\$7,889</u>	<u>\$5,480</u>	<u>\$4,505</u>	<u>14.59%</u>	<u>12.32%</u>
13.	Net Plant Investment	<u>\$111,356</u>	<u>\$102,391</u>	<u>\$76,820</u>	<u>\$67,797</u>	<u>\$61,287</u>	<u>16.10%</u>	<u>8.76%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	70.32%	70.43%	70.72%	74.17%	75.05%	-1.61%	-0.16%
15.	Net Plt. Investment per \$ of Revenue	\$1.68	\$1.71	\$1.14	\$1.12	\$1.08	11.68%	-1.75%
<hr/>								
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	492	437	444	430	410	4.66%	12.59%
24.	Commercial	321	292	286	260	246	6.88%	9.93%
25.	Industrial	114	110	111	118	116	-0.43%	3.64%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	<u>929</u>	<u>841</u>	<u>843</u>	<u>810</u>	<u>774</u>	<u>4.67%</u>	<u>10.46%</u>
<hr/>								
28.	Estimated Overall Rate of Return	7.04%	8.09%	<b>11.37%</b>	<b>8.77%</b>	<b>8.95%</b>	-5.82%	-12.98%
29.	Estimated Return on Common Equity	6.48%	8.14%	<b>13.65%</b>	<b>9.01%</b>	<b>8.89%</b>	-6.13%	-20.39%
30.	Common Equity Ratio	63.66%	61.96%	<b>59.42%</b>	<b>60.87%</b>	<b>74.65%</b>	-3.90%	2.74%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.97	3.56	<b>5.13</b>	<b>3.71</b>	<b>5.62</b>	-14.74%	-16.57%
<hr/>								
32.	<b>LAST RATE CASE</b>	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 95% 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 (d) - (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	
		September 1998 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$210,060	\$195,628	\$189,942	\$187,594	\$170,613	5.34%	7.38%
2.	Operating Expenses:							
3.	Fuel	27,985	25,797	25,799	27,540	26,581	1.30%	8.48%
4.	Purchased Power	50,334	46,083	41,566	40,745	30,294	13.53%	9.22%
5.	Maintenance	12,897	13,025	12,684	13,138	15,344	-4.25%	-0.98%
6.	Other Operating Expenses	30,128	29,299	26,518	24,572	24,896	4.88%	2.83%
7.	Total Operating Expenses	121,344	114,204	106,567	105,995	97,115	5.73%	6.25%
8.	Depreciation & Amortization	24,761	22,739	21,561	23,286	21,772	3.27%	8.89%
9.	Total Expenses & Depreciation	146,105	136,943	128,128	129,281	118,887	5.29%	6.69%
10.	Total Operating Taxes	27,101	24,916	26,652	26,229	21,172	6.37%	8.77%
11.	Total Expenses, Depr. & Taxes	173,206	161,859	154,780	155,510	140,059	5.45%	7.01%
12.	Operating Income	<u>\$38,854</u>	<u>\$33,789</u>	<u>\$35,182</u>	<u>\$32,084</u>	<u>\$30,554</u>	4.80%	9.14%
13.	Net Plant Investment	<u>\$436,216</u>	<u>\$409,059</u>	<u>\$399,968</u>	<u>\$398,382</u>	<u>\$386,802</u>	3.05%	6.64%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	57.77%	58.38%	56.11%	56.50%	56.92%	0.37%	-1.04%
15.	Net Plt. Investment per \$ of Revenue	\$2.08	\$2.09	\$2.11	\$2.12	\$2.27	-2.16%	-0.48%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	86	85	83	82	80	1.82%	1.18%
18.	Commercial	13	13	13	12	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>101</u>	<u>100</u>	<u>98</u>	<u>96</u>	<u>94</u>	1.81%	1.00%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,136	1,029	1,028	1,002	929	5.16%	10.40%
24.	Commercial	637	611	594	588	562	3.18%	4.28%
25.	Industrial	1,216	1,172	1,083	1,042	989	5.30%	3.75%
26.	Other	121	112	112	108	97	5.68%	8.04%
27.	Total Sales	<u>3,110</u>	<u>2,924</u>	<u>2,817</u>	<u>2,740</u>	<u>2,577</u>	4.81%	6.38%
<hr/>								
28.	Estimated Overall Rate of Return	8.80%	8.79%	9.22%	8.77%	8.41%	1.14%	0.11%
29.	Estimated Return on Common Equity	10.44%	10.63%	11.73%	10.49%	9.34%	2.82%	-1.79%
30.	Common Equity Ratio	46.03%	45.11%	45.15%	44.30%	43.86%	1.21%	2.04%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.48	3.40	2.96	3.36	2.95	4.22%	2.35%
<hr/>								
32.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 11.80%		Equity Ratio: 44.82%		Date of Order: 2-26-93		

Notes: [1] North Carolina retail jurisdictional revenue equates to 5% of total company electric utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC ES-1 Reports except for data in Italics (Lines 28 - 31, Columns (d) - (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	
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	N/A	\$5,329	\$5,424	\$4,876	\$4,604	N/A	N/A
3.	Commercial	N/A	2,868	2,966	2,767	2,691	N/A	N/A
4.	Industrial	N/A	5,808	6,671	7,005	5,592	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	1,114	319	681	703	N/A	N/A
8.	Total Operating Revenue	N/A	15,119	15,380	15,329	13,590	N/A	N/A
9.	Cost of Gas	N/A	8,765	9,689	10,236	8,732	N/A	N/A
10.	Margin	N/A	6,354	5,691	5,093	4,858	N/A	N/A
11.	O & M Expenses	N/A	3,864	3,472	3,229	2,889	N/A	N/A
12.	Other Deductions	N/A	1,555	1,457	1,178	1,179	N/A	N/A
13.	Operating Income	N/A	\$935	\$762	\$686	\$790	N/A	N/A
14.	Net Plant Investment	N/A	\$11,266	\$9,931	\$10,429	\$8,861	N/A	N/A
15.	Oper. Exp. as a % of Total Revenue	N/A	83.53%	85.57%	87.84%	85.51%	N/A	N/A
16.	Net Plt. Investment per \$ of Revenue	N/A	\$0.75	\$0.65	\$0.68	\$0.65	N/A	N/A
17.	Gas Delivered in DTs:							
18.	Residential	N/A	774	858	883	744	N/A	N/A
19.	Commercial	N/A	521	567	589	540	N/A	N/A
20.	Industrial	N/A	1,712	1,997	1,554	1,966	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	925	241	159	133	N/A	N/A
24.	Total DTs	N/A	3,932	3,663	3,185	3,383	N/A	N/A
25.	Number of Customers:							
26.	Residential	N/A	10,818	10,506	10,660	9,848	N/A	N/A
27.	Commercial	N/A	1,711	1,667	1,706	1,665	N/A	N/A
28.	Industrial	N/A	26	26	27	25	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	5	3	0	1	N/A	N/A
32.	Total Number of Customers	N/A	12,560	12,202	12,393	11,539	N/A	N/A
33.	Estimated Overall Rate of Return	N/A	6.91%	7.36%	8.33%	8.54%	N/A	N/A
34.	Estimated Return on Common Equity	N/A	7.20%	5.06%	0.73%	5.19%	N/A	N/A
35.	Common Equity Ratio	N/A	51.18%	51.85%	48.95%	51.29%	N/A	N/A
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	N/A	2.72	2.16	1.08	1.73	N/A	N/A
37.	<b>LAST RATE CASE</b>	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 (d) - (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		
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Four Year (g)	Current Year (h)	
1.	Operating Revenue:								
2.	Residential	\$44,981	\$31,151	\$36,092	\$34,217	\$25,151	15.64%	44.40%	
3.	Commercial	28,809	20,023	23,836	22,104	16,428	15.08%	43.88%	
4.	Industrial	72,608	61,580	65,757	82,911	67,280	1.92%	17.91%	
5.	Public Authorities	2,032	1,595	2,115	2,244	2,423	-4.30%	27.40%	
6.	Resale	28,731	18,001	21,669	20,518	19,315	10.44%	59.61%	
7.	Other	19,477	13,323	10,867	11,150	19,912	-0.55%	46.19%	
8.	Total Operating Revenue	196,638	145,673	160,336	173,144	150,509	6.91%	34.99%	
9.	Cost of Gas	128,228	87,755	105,240	119,100	100,348	6.32%	46.12%	
10.	Margin	68,410	57,918	55,096	54,044	50,161	8.07%	18.12%	
11.	O & M Expenses	23,088	21,070	19,478	18,385	17,803	6.71%	9.58%	
12.	Other Deductions	26,576	21,612	21,215	20,568	18,128	10.04%	22.97%	
13.	Operating Income	<u>\$18,746</u>	<u>\$15,236</u>	<u>\$14,403</u>	<u>\$15,091</u>	<u>\$14,230</u>	7.13%	23.04%	
14.	Net Plant Investment	<u>\$181,635</u>	<u>\$176,574</u>	<u>\$161,237</u>	<u>\$151,725</u>	<u>\$141,829</u>	6.38%	2.87%	
15.	Oper. Exp. as a % of Total Revenue	76.95%	74.70%	77.79%	79.41%	78.50%	-0.50%	3.01%	
16.	Net Plt. Investment per \$ of Revenue	\$0.92	\$1.21	\$1.01	\$0.88	\$0.94	-0.54%	-23.97%	
17.	Gas Delivered in DTs:								
18.	Residential	6,752	5,209	5,441	5,306	4,722	9.35%	29.62%	
19.	Commercial	5,511	4,517	4,594	4,297	4,033	8.12%	22.01%	
20.	Industrial	19,589	20,475	17,867	22,201	23,249	-4.19%	-4.33%	
21.	Public Authorities	386	358	403	437	604	-10.59%	7.82%	
22.	Resale	7,765	4,982	4,935	4,942	6,408	4.92%	55.86%	
23.	Other	13,077	17,509	13,762	9,710	6,736	18.04%	-25.31%	
24.	Total DTs	<u>53,080</u>	<u>53,050</u>	<u>47,002</u>	<u>46,893</u>	<u>45,752</u>	3.78%	0.06%	
25.	Number of Customers:								
26.	Residential	85	82	78	73	69	5.35%	3.66%	
27.	Commercial	12	12	11	11	11	2.20%	0.00%	
28.	Industrial	0	0	0	0	0	N/A	N/A	
29.	Public Authorities	5	5	5	5	6	-4.46%	0.00%	
30.	Resale	41	39	36	33	31	7.24%	5.13%	
31.	Other	0	0	0	0	0	N/A	N/A	
32.	Total Number of Customers	<u>143</u>	<u>138</u>	<u>130</u>	<u>122</u>	<u>117</u>	5.14%	3.62%	
33.	Estimated Overall Rate of Return	10.64%	10.06%	<b>8.41%</b>	<b>9.42%</b>	<b>8.54%</b>	2.77%	5.77%	
34.	Estimated Return on Common Equity	12.21%	11.40%	<b>13.33%</b>	<b>15.87%</b>	<b>17.73%</b>	-8.90%	7.11%	
35.	Common Equity Ratio	60.02%	59.27%	<b>70.02%</b>	<b>67.48%</b>	<b>56.01%</b>	1.74%	1.27%	
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.66	4.39	<b>4.66</b>	<b>4.56</b>	<b>3.55</b>	7.04%	6.15%	
37.	<b>LAST RATE CASE</b>	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 NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Columns (d) - (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	
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$172,468	\$134,998	\$140,935	\$131,121	\$104,827	13.26%	27.76%
3.	Commercial	96,410	72,177	88,118	84,367	63,765	10.89%	33.57%
4.	Industrial	96,475	50,434	86,899	103,194	70,057	8.33%	91.29%
5.	Public Authorities	2,876	2,558	2,996	2,991	2,755	1.08%	12.43%
6.	Resale	2,216	3,110	4	0	0	N/A	-28.75%
7.	Other	27,104	27,115	11,756	5,112	8,547	33.45%	-0.04%
8.	Total Operating Revenue	397,549	290,392	330,708	326,785	249,951	12.30%	36.90%
9.	Cost of Gas	231,763	140,872	197,103	200,714	136,001	14.26%	64.52%
10.	Margin	165,786	149,520	133,605	126,071	113,950	9.83%	10.88%
11.	O & M Expenses	69,164	65,150	61,478	56,777	54,009	6.38%	6.16%
12.	Other Deductions	55,181	46,548	40,104	38,888	31,741	14.83%	18.55%
13.	Operating Income	\$41,441	\$37,822	\$32,023	\$30,406	\$28,200	10.10%	9.57%
14.	Net Plant Investment	\$415,623	\$387,801	\$345,206	\$314,260	\$286,700	9.73%	7.17%
15.	Oper. Exp. as a % of Total Revenue	75.70%	70.95%	78.19%	78.80%	76.02%	-0.11%	6.69%
16.	Net Plt. Investment per \$ of Revenue	\$1.05	\$1.34	\$1.04	\$0.96	\$1.15	-2.25%	-21.64%
17.	Gas Delivered in DTs:							
18.	Residential	25,462	19,926	20,974	20,279	17,575	9.71%	27.78%
19.	Commercial	16,827	12,899	15,612	15,743	13,821	5.04%	30.45%
20.	Industrial	23,490	14,516	22,438	27,297	22,464	1.12%	61.82%
21.	Public Authorities	509	475	532	554	578	-3.13%	7.16%
22.	Resale	448	1,456	1	0	0	N/A	-69.23%
23.	Other	17,930	24,105	10,870	4,201	9,771	16.39%	-25.62%
24.	Total DTs	84,666	73,377	70,427	68,074	64,209	7.16%	15.38%
25.	Number of Customers:							
26.	Residential	274	264	248	229	219	5.76%	3.79%
27.	Commercial	34	33	32	30	29	4.06%	3.03%
28.	Industrial	2	2	1	1	1	18.92%	0.00%
29.	Public Authorities	6	5	6	7	7	-3.78%	20.00%
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	318	304	287	287	256	5.41%	3.95%
33.	Estimated Overall Rate of Return	10.13%	9.64%	8.54%	9.57%	9.08%	2.77%	5.08%
34.	Estimated Return on Common Equity	11.89%	11.23%	12.52%	12.80%	12.96%	-2.13%	5.88%
35.	Common Equity Ratio	51.52%	50.07%	49.17%	55.03%	53.42%	-0.90%	2.90%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.47	3.27	3.23	3.40	3.17	2.29%	6.12%
37.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 10.10%    Equity Ratio: N/A    Date of Order 10-23-96						

Notes: [1] North Carolina retail jurisdictional revenue equates to 59% 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 (d) - (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	
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$162,400	\$135,846	\$137,987	\$127,119	\$109,475	10.36%	19.55%
3.	Commercial	80,607	65,714	71,868	65,765	56,253	9.41%	22.66%
4.	Industrial	38,208	18,745	29,575	65,544	56,196	-9.19%	103.83%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	0	4,809	16,208	15,677	12,567	-100.00%	-100.00%
7.	Other	27,667	22,779	18,068	5,883	5,912	47.08%	21.46%
8.	Total Operating Revenue	308,882	247,893	273,706	279,988	240,403	6.47%	24.60%
9.	Cost of Gas	168,137	117,065	155,378	167,884	130,400	6.56%	43.63%
10.	Margin	140,745	130,828	118,328	112,104	110,003	6.35%	7.58%
11.	O & M Expenses	55,203	51,269	49,768	47,997	43,512	6.13%	7.67%
12.	Other Deductions	50,251	45,499	39,903	35,732	35,844	8.81%	10.44%
13.	Operating Income	\$35,291	\$34,060	\$28,657	\$28,375	\$30,647	3.59%	3.61%
14.	Net Plant Investment	\$418,840	\$382,788	\$354,675	\$334,614	\$307,650	8.02%	9.42%
15.	Oper. Exp. as a % of Total Revenue	72.31%	67.91%	74.95%	77.10%	72.34%	-0.01%	6.48%
16.	Net Plt. Investment per \$ Revenue	\$1.36	\$1.54	\$1.30	\$1.20	\$1.28	1.53%	-11.69%
17.	Gas Delivered in DTs:							
18.	Residential	22,398	17,567	18,781	18,058	16,093	8.62%	27.50%
19.	Commercial	14,307	11,855	12,450	11,945	11,036	6.70%	20.68%
20.	Industrial	9,327	4,944	6,694	17,046	17,183	-14.17%	88.65%
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	19,613	24,253	20,963	10,130	10,545	16.78%	-19.13%
24.	Total DTs	65,645	58,619	58,888	57,179	54,857	4.59%	11.99%
25.	Number of Customers:							
26.	Residential	249	247	235	223	214	3.86%	0.81%
27.	Commercial	39	29	28	27	26	10.67%	34.48%
28.	Industrial	0	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	288	276	263	250	240	4.66%	4.35%
33.	Estimated Overall Rate of Return	10.61%	10.98%	8.41%	8.05%	9.49%	2.83%	-3.37%
34.	Estimated Return on Common Equity	12.82%	12.70%	13.33%	11.89%	15.18%	-4.14%	0.94%
35.	Common Equity Ratio	51.29%	54.70%	57.45%	48.74%	45.55%	3.01%	-6.23%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.63	3.80	4.66	2.57	2.99	4.97%	-4.47%
37.	<b>LAST RATE CASE</b>	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 (d) - (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.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$44,464	\$40,555	\$35,086	\$33,058	\$31,723	8.81%	9.64%
3.	Network Access	20,605	19,669	15,654	13,077	9,492	21.38%	4.76%
4.	Long Distance Message	13,107	15,404	10,745	9,251	10,612	5.42%	-14.91%
5.	Miscellaneous	5,163	4,634	3,278	3,041	2,652	18.12%	11.42%
6.	Uncollectibles	(920)	(1,591)	(385)	(427)	(147)	58.17%	-42.17%
7.	Total Operating Revenue	82,419	78,671	64,378	58,000	54,332	10.98%	4.76%
8.	Operating Expenses	37,290	35,857	26,816	25,032	22,303	13.71%	4.58%
9.	Depreciation & Amortization	16,983	12,133	11,743	12,444	10,029	14.07%	39.97%
10.	Total Operating Taxes	11,303	11,911	10,117	8,167	8,043	8.88%	-5.10%
11.	Total Expenses, Depr. & Taxes	65,576	59,701	48,676	45,643	40,375	12.89%	9.84%
12.	Other Operating (Income) & Expense	(314)	(48)	0	0	0	N/A	554.17%
13.	Operating Income	\$17,157	\$19,018	\$15,702	\$12,357	\$13,957	5.30%	-9.79%
14.	Net Plant Investment	\$135,361	\$135,757	\$106,572	\$103,691	\$102,165	7.29%	-0.29%
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	45.24%	45.32%	41.65%	43.16%	41.05%	2.46%	-0.18%
16.	Net Plt. Investment per \$ of Revenue	\$1.64	\$1.73	\$1.66	\$1.79	\$1.88	-3.36%	-5.20%
<hr/>								
17.	Local Access Lines:							
18.	Residential	135	129	98	92	87	11.61%	4.65%
19.	Business	39	35	23	21	19	19.70%	11.43%
20.	Total Local Access Lines	174	164	121	113	106	13.19%	6.10%
21.	Total Access Lines:							
22.	Residential	135	129	98	92	87	11.61%	4.65%
23.	Business	39	36	23	21	19	19.70%	8.33%
24.	Total Access Lines	174	165	121	113	106	13.19%	5.45%
<hr/>								
25.	Estimated Overall Rate of Return	14.11%	16.11%	<i>15.18%</i>	<i>12.47%</i>	<i>14.53%</i>	-0.73%	-12.41%
26.	Estimated Return on Common Equity	17.96%	21.47%	<i>23.79%</i>	<i>19.05%</i>	<i>25.93%</i>	-8.77%	-16.35%
27.	Common Equity Ratio	61.89%	60.93%	<i>62.44%</i>	<i>66.35%</i>	<i>63.96%</i>	-0.82%	1.58%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.01	7.96	<i>9.90</i>	<i>7.64</i>	<i>7.61</i>	-2.03%	-11.93%
<hr/>								
29.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 13.20%		Equity Ratio: 42.11%		Date of Order: 11-25-86		

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 25 - 28, Columns (d) - (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	
		June 1996 (b)	June 1995 (c)	June 1994 (d)	June 1993 (e)	June 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$740,549	\$659,673	\$619,675	\$578,637	\$535,653	8.43%	12.26%
3.	Network Access	166,127	159,461	161,612	139,577	139,318	4.50%	4.18%
4.	Long Distance Message	91,853	113,483	135,640	141,117	140,126	-10.02%	-19.06%
5.	Miscellaneous	93,399	87,563	83,894	81,373	81,242	3.55%	6.66%
6.	Uncollectibles	(6,103)	(6,662)	(6,598)	(8,976)	(5,287)	3.65%	-8.39%
7.	Total Operating Revenue	1,085,825	1,013,518	994,223	931,728	891,052	5.07%	7.13%
8.	Operating Expenses	500,784	479,315	451,466	439,437	423,377	4.29%	4.48%
9.	Depreciation & Amortization	246,303	237,253	231,265	212,674	190,282	6.66%	3.81%
10.	Total Operating Taxes	148,548	118,976	125,110	106,152	98,357	10.86%	24.86%
11.	Total Expenses, Depr. & Taxes	895,635	835,544	807,841	758,263	712,016	5.90%	7.19%
12.	Other Operating (Income) & Expense	7	(577)	(2)	81	(89)	N/A	-101.21%
13.	Operating Income	<u>\$190,183</u>	<u>\$178,551</u>	<u>\$186,384</u>	<u>\$173,384</u>	<u>\$179,125</u>	1.51%	6.51%
14.	Net Plant Investment	<u>\$1,846,342</u>	<u>\$1,802,107</u>	<u>\$1,743,718</u>	<u>\$1,713,713</u>	<u>\$1,697,429</u>	2.12%	2.45%
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	46.12%	47.29%	45.41%	47.16%	47.51%	-0.74%	-2.47%
16.	Net Plt. Investment per \$ of Revenue	\$1.70	\$1.78	\$1.75	\$1.84	\$1.90	-2.74%	-4.49%
<hr/>								
17.	Local Access Lines:							
18.	Residential	1,423	1,370	1,314	1,270	1,228	3.75%	3.87%
19.	Business	572	516	467	435	420	8.03%	10.85%
20.	Total Local Access Lines	<u>1,995</u>	<u>1,886</u>	<u>1,781</u>	<u>1,705</u>	<u>1,648</u>	4.89%	5.78%
21.	Total Access Lines:							
22.	Residential	1,423	1,370	1,314	1,270	1,228	3.75%	3.87%
23.	Business	579	524	477	449	442	6.98%	10.50%
24.	Total Access Lines	<u>2,002</u>	<u>1,894</u>	<u>1,791</u>	<u>1,719</u>	<u>1,670</u>	4.64%	5.70%
<hr/>								
25.	Estimated Overall Rate of Return	12.12%	11.86%	<b>10.87%</b>	<b>10.19%</b>	<b>10.96%</b>	2.55%	2.19%
26.	Estimated Return on Common Equity	16.07%	15.06%	<b>18.01%</b>	<b>14.96%</b>	<b>17.10%</b>	-1.54%	6.71%
27.	Common Equity Ratio	57.63%	59.49%	<b>66.62%</b>	<b>63.95%</b>	<b>64.28%</b>	-2.69%	-3.13%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.63	6.00	<b>6.95</b>	<b>5.73</b>	<b>5.90</b>	2.96%	10.50%
<hr/>								
29.	<b>LAST RATE CASE</b>	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 (d) - (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.  
[5] 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	
		June 1996 (b)	June 1996 (c)	June 1994 (d)	June 1993 (e)	June 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$282,268	\$243,866	\$226,921	\$209,159	\$194,843	9.71%	15.75%
3.	Network Access	90,222	84,370	78,639	68,242	62,708	9.52%	6.94%
4.	Long Distance Message	54,215	73,062	72,303	67,254	66,073	-4.82%	-25.80%
5.	Miscellaneous	48,848	45,029	39,777	37,378	36,077	7.87%	8.48%
6.	Uncollectibles	(3,851)	(2,559)	(2,302)	(1,855)	(2,065)	16.86%	50.49%
7.	Total Operating Revenue	471,702	443,768	415,338	380,178	357,636	7.17%	6.29%
8.	Operating Expenses	239,475	222,312	214,191	231,683	182,999	6.96%	7.72%
9.	Depreciation & Amortization	97,926	100,546	84,611	85,711	68,310	9.42%	-2.61%
10.	Total Operating Taxes	55,381	49,201	46,618	23,267	41,363	7.57%	12.56%
11.	Total Expenses, Depr. & Taxes	392,782	372,059	345,420	340,661	292,672	7.63%	5.57%
12.	Operating Income	<u>\$78,920</u>	<u>\$71,709</u>	<u>\$69,918</u>	<u>\$39,517</u>	<u>\$64,964</u>	4.99%	10.06%
13.	Net Plant Investment	<u>\$680,549</u>	<u>\$680,560</u>	<u>\$674,676</u>	<u>\$645,687</u>	<u>\$608,841</u>	2.82%	-0.00%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	50.77%	50.10%	51.57%	60.94%	51.17%	-0.20%	1.34%
15.	Net Plt. Investment per \$ of Revenue	\$1.44	\$1.53	\$1.62	\$1.70	\$1.70	-4.05%	-5.92%
<hr/>								
16.	Local Access Lines:							
17.	Residential	783	753	723	693	668	4.05%	3.98%
18.	Business	220	201	202	185	173	6.19%	9.45%
19.	Total Local Access Lines	<u>1,003</u>	<u>954</u>	<u>925</u>	<u>878</u>	<u>841</u>	4.50%	5.14%
20.	Total Access Lines:							
21.	Residential	783	753	723	693	668	4.05%	3.98%
22.	Business	221	204	205	189	178	5.56%	8.33%
23.	Total Access Lines	<u>1,004</u>	<u>957</u>	<u>928</u>	<u>882</u>	<u>846</u>	4.37%	4.91%
<hr/>								
24.	Estimated Overall Rate of Return	13.58%	12.38%	<b>11.66%</b>	<b>8.97%</b>	<b>11.05%</b>	5.29%	9.69%
25.	Estimated Return on Common Equity	17.21%	15.36%	<b>18.83%</b>	<b>9.27%</b>	<b>18.28%</b>	-1.50%	12.04%
26.	Common Equity Ratio	62.72%	62.19%	<b>64.42%</b>	<b>64.36%</b>	<b>66.87%</b>	-1.59%	0.85%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.35	6.47	<b>7.22</b>	<b>3.64</b>	<b>6.95</b>	1.41%	13.60%
<hr/>								
28.	<b>LAST RATE CASE</b>	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 (d) - (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		
		June 1996 (b)	June 1995 (c)	June 1994 (d)	June 1993 (e)	June 1992 (f)	Four Year (g)	Current Year (h)	
1.	Operating Revenue:								
2.	Basic Local Service	\$67,602	\$56,801	\$53,513	\$49,881	\$46,394	9.87%	19.02%	
3.	Network Access	19,914	19,096	24,582	28,601	10,760	16.64%	4.28%	
4.	Long Distance Message	14,392	24,114	11,443	(369)	19,219	-6.98%	-40.32%	
5.	Miscellaneous	10,753	8,445	7,108	7,239	7,240	10.39%	27.33%	
6.	Uncollectibles	(613)	100	(1,319)	(621)	(517)	4.35%	-713.00%	
7.	Total Operating Revenue	<u>112,048</u>	<u>108,556</u>	<u>95,327</u>	<u>84,731</u>	<u>83,096</u>	<u>7.76%</u>	<u>3.22%</u>	
8.	Operating Expenses	69,734	70,733	60,605	64,576	49,758	8.80%	-1.41%	
9.	Depreciation & Amortization	14,424	13,338	12,928	11,745	12,723	3.19%	8.14%	
10.	Total Operating Taxes	<u>11,041</u>	<u>9,484</u>	<u>11,646</u>	<u>2,135</u>	<u>8,302</u>	<u>7.39%</u>	<u>16.42%</u>	
11.	Total Expenses, Depr. & Taxes	<u>95,199</u>	<u>93,555</u>	<u>85,179</u>	<u>78,456</u>	<u>70,783</u>	<u>7.69%</u>	<u>1.76%</u>	
12.	Operating Income	<u>\$16,849</u>	<u>\$15,001</u>	<u>\$10,148</u>	<u>\$6,275</u>	<u>\$12,313</u>	<u>8.16%</u>	<u>12.32%</u>	
13.	Net Plant Investment	<u>\$193,402</u>	<u>\$185,700</u>	<u>\$170,945</u>	<u>\$354,443</u>	<u>\$158,201</u>	<u>5.15%</u>	<u>4.15%</u>	
14.	Oper. Exp. as a % of Total Revenue	62.24%	65.16%	63.58%	76.21%	59.88%	0.97%	-4.48%	
15.	Net Plt. Investment per \$ of Revenue	\$1.73	\$1.71	\$1.79	\$4.18	\$1.90	-2.42%	0.90%	
16.	Local Access Lines:								
17.	Residential	182	177	171	166	163	2.79%	2.82%	
18.	Business	54	49	51	49	45	4.66%	10.20%	
19.	Total Local Access Lines	<u>236</u>	<u>226</u>	<u>222</u>	<u>215</u>	<u>208</u>	<u>3.21%</u>	<u>4.42%</u>	
20.	Total Access Lines:								
21.	Residential	182	177	171	166	163	2.79%	2.82%	
22.	Business	55	50	55	51	47	4.01%	10.00%	
23.	Total Access Lines	<u>237</u>	<u>227</u>	<u>226</u>	<u>217</u>	<u>210</u>	<u>3.07%</u>	<u>4.41%</u>	
24.	Estimated Overall Rate of Return	11.77%	10.83%	<b>7.22%</b>	<b>2.21%</b>	<b>9.38%</b>	5.84%	8.68%	
25.	Estimated Return on Common Equity	12.41%	11.95%	<b>13.87%</b>	<b>2.77%</b>	<b>15.23%</b>	-4.99%	3.85%	
26.	Common Equity Ratio	69.26%	66.19%	<b>91.73%</b>	<b>65.18%</b>	<b>65.74%</b>	1.31%	4.64%	
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.40	5.28	<b>9.54</b>	<b>2.02</b>	<b>6.48</b>	-4.46%	2.27%	
28.	<b>LAST RATE CASE</b>	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 (d) - (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	
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$3,762	\$3,347	\$3,242	\$3,178	\$3,057	5.32%	12.40%
3.	Network Access	2,754	2,598	2,387	2,318	1,889	9.88%	6.00%
4.	Long Distance Message	1,379	1,928	1,799	1,726	1,808	-6.55%	-28.48%
5.	Miscellaneous	811	812	792	792	639	6.14%	-0.12%
6.	Uncollectibles	(13)	(10)	(7)	(13)	(13)	0.00%	30.00%
7.	Total Operating Revenue	8,693	8,675	8,213	8,001	7,380	4.18%	0.21%
8.	Operating Expenses	3,751	3,627	3,488	3,369	3,326	3.05%	3.42%
9.	Depreciation & Amortization	2,097	2,194	1,621	1,440	1,260	13.58%	-4.42%
10.	Total Operating Taxes	890	889	875	1,065	913	-0.64%	0.11%
11.	Total Expenses, Depr. & Taxes	6,738	6,710	5,984	5,874	5,499	5.21%	0.42%
12.	Operating Income	<u>\$1,955</u>	<u>\$1,965</u>	<u>\$2,229</u>	<u>\$2,127</u>	<u>\$1,881</u>	<u>0.97%</u>	<u>-0.51%</u>
13.	Net Plant Investment	<u>\$17,238</u>	<u>\$17,603</u>	<u>\$18,075</u>	<u>\$18,274</u>	<u>\$18,000</u>	<u>-1.08%</u>	<u>-2.07%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	43.15%	41.81%	42.47%	42.11%	45.07%	-1.08%	3.20%
15.	Net Plt. Investment per \$ of Revenue	\$1.98	\$2.03	\$2.20	\$2.28	\$2.44	-5.09%	-2.46%
<hr/>								
16.	Local Access Lines:							
17.	Residential	14	14	13	13	12	3.93%	0.00%
18.	Business	3	3	3	3	2	10.67%	0.00%
19.	Total Local Access Lines	<u>17</u>	<u>17</u>	<u>16</u>	<u>16</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	3	2	10.67%	0.00%
23.	Total Access Lines	<u>17</u>	<u>17</u>	<u>16</u>	<u>16</u>	<u>14</u>	<u>4.97%</u>	<u>0.00%</u>
<hr/>								
24.	Estimated Overall Rate of Return	11.76%	10.91%	<b>10.85%</b>	<b>12.34%</b>	<b>11.18%</b>	1.27%	7.79%
25.	Estimated Return on Common Equity	15.34%	14.08%	<b>8.84%</b>	<b>13.11%</b>	<b>12.16%</b>	5.98%	8.95%
26.	Common Equity Ratio	51.19%	48.25%	<b>51.73%</b>	<b>48.98%</b>	<b>45.19%</b>	3.17%	6.09%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.17	3.83	<b>2.70</b>	<b>3.44</b>	<b>3.05</b>	8.13%	8.88%
<hr/>								
28.	<b>LAST RATE CASE</b>	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 73% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data in *italics* [Lines 24-27, Columns (d) - (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 Growth Rate	
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$23,096	\$20,672	\$17,982	\$15,934	\$14,623	12.11%	11.73%
3.	Network Access	4,045	3,511	3,324	2,737	2,842	9.23%	15.21%
4.	Long Distance Message	8,332	4,755	7,431	5,804	6,575	6.10%	75.23%
5.	Miscellaneous	5,354	4,622	4,501	4,426	4,310	5.57%	15.84%
6.	Uncollectibles	(107)	(25)	(236)	(368)	(394)	-27.81%	328.00%
7.	Total Operating Revenue	40,720	33,535	33,002	28,533	27,956	9.86%	21.43%
8.	Operating Expenses	20,769	15,367	14,479	12,670	12,798	12.87%	35.15%
9.	Depreciation & Amortization	9,195	10,069	9,279	6,952	5,427	14.09%	-8.68%
10.	Total Operating Taxes	5,052	3,943	4,451	4,062	4,231	4.53%	28.13%
11.	Total Expenses, Depr. & Taxes	35,016	29,379	28,209	23,684	22,456	11.75%	19.19%
12.	Operating Income	<u>\$5,704</u>	<u>\$4,156</u>	<u>\$4,793</u>	<u>\$4,849</u>	<u>\$5,500</u>	<u>0.91%</u>	<u>37.25%</u>
13.	Net Plant Investment	<u>\$47,717</u>	<u>\$44,303</u>	<u>\$40,727</u>	<u>\$44,763</u>	<u>\$46,138</u>	<u>0.84%</u>	<u>7.71%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	51.00%	45.82%	43.87%	44.40%	45.78%	2.74%	11.31%
15.	Net Plt. Investment per \$ of Revenue	\$1.17	\$1.32	\$1.23	\$1.57	\$1.65	-8.24%	-11.36%
<hr/>								
16.	Local Access Lines:							
17.	Residential	75	73	70	68	66	3.25%	2.74%
18.	Business	20	18	17	16	14	9.33%	11.11%
19.	Total Local Access Lines	<u>95</u>	<u>91</u>	<u>87</u>	<u>84</u>	<u>80</u>	<u>4.39%</u>	<u>4.40%</u>
20.	Total Access Lines:							
21.	Residential	75	73	70	68	66	3.25%	2.74%
22.	Business	20	18	17	16	14	9.33%	11.11%
23.	Total Access Lines	<u>95</u>	<u>91</u>	<u>87</u>	<u>84</u>	<u>80</u>	<u>4.39%</u>	<u>4.40%</u>
<hr/>								
24.	Estimated Overall Rate of Return	15.75%	12.79%	<b>11.39%</b>	<b>11.63%</b>	<b>13.11%</b>	4.69%	23.14%
25.	Estimated Return on Common Equity	17.06%	14.00%	<b>13.91%</b>	<b>13.63%</b>	<b>16.00%</b>	1.62%	21.86%
26.	Common Equity Ratio	87.80%	84.02%	<b>83.71%</b>	<b>87.78%</b>	<b>86.80%</b>	0.29%	4.50%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	40.72	23.91	<b>19.04</b>	<b>24.59</b>	<b>23.73</b>	14.45%	70.31%
<hr/>								
28.	<b>LAST RATE CASE</b>	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 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 24 - 27, Columns (d) - (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	
		June 1996 (b)	June 1995 (c)	June 1994 (d)	June 1993 (e)	June 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$98,700	\$89,092	\$88,610	\$83,414	\$78,140	6.01%	10.78%
3.	Network Access	41,158	39,757	52,188	54,550	31,290	7.09%	3.52%
4.	Long Distance Message	13,560	20,363	2,295	708	28,842	-17.05%	-33.41%
5.	Miscellaneous	13,336	14,071	15,859	19,334	16,505	-5.19%	-5.22%
6.	Uncollectibles	(2,986)	(2,284)	(76)	(1,319)	(1,359)	21.75%	30.74%
7.	Total Operating Revenue	163,768	160,999	158,676	156,687	153,218	1.68%	1.72%
8.	Operating Expenses	80,938	83,701	73,650	73,536	68,924	4.10%	-3.30%
9.	Depreciation & Amortization	37,767	35,111	30,189	31,213	30,015	5.91%	7.56%
10.	Total Operating Taxes	16,691	18,721	20,273	18,973	20,050	-4.48%	-10.84%
11.	Total Expenses, Depr. & Taxes	135,396	137,533	124,112	123,722	118,989	3.28%	-1.55%
12.	Other Operating (Income) & Expense	66	(13)	(379)	(61)	(111)	N/A	-607.69%
13.	Operating Income	\$28,306	\$23,479	\$34,943	\$33,026	\$34,340	-4.72%	20.56%
14.	Net Plant Investment	\$364,247	\$356,133	\$350,244	\$336,973	\$323,812	2.99%	2.28%
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	49.42%	51.99%	46.42%	46.93%	44.98%	2.38%	-4.94%
16.	Net Plt. Investment per \$ of Revenue	\$2.22	\$2.21	\$2.21	\$2.15	\$2.11	1.29%	0.55%
<hr/>								
17.	Local Access Lines:							
18.	Residential	205	197	190	184	177	3.74%	4.06%
19.	Business	102	90	84	78	72	9.10%	13.33%
20.	Total Local Access Lines	307	287	274	262	249	5.37%	6.97%
21.	Total Access Lines:							
22.	Residential	205	197	190	184	177	3.74%	4.06%
23.	Business	154	128	115	114	86	15.68%	20.31%
24.	Total Access Lines	359	325	305	298	263	8.09%	10.46%
<hr/>								
25.	Estimated Overall Rate of Return	9.95%	8.54%	N/A	N/A	N/A	N/A	16.51%
26.	Estimated Return on Common Equity	11.47%	8.97%	N/A	N/A	N/A	N/A	27.87%
27.	Common Equity Ratio	61.01%	57.71%	N/A	N/A	N/A	N/A	5.72%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.38	3.76	N/A	N/A	N/A	N/A	-10.11%
<hr/>								
29.	<b>LAST RATE CASE</b>	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 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 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		
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Growth Year (g)	Rate Current Year (h)	
1.	Operating Revenue:								
2.	Basic Local Service	\$7,344	\$6,276	\$5,589	\$5,057	\$4,810	11.16%	17.02%	
3.	Network Access	9,966	9,555	8,889	8,284	7,731	6.55%	4.30%	
4.	Long Distance Message	1,466	1,745	1,996	2,412	2,637	-13.65%	-15.99%	
5.	Miscellaneous	3,145	2,980	2,719	2,932	3,264	-0.92%	5.54%	
6.	Uncollectibles	(118)	(89)	(85)	(82)	(72)	13.15%	32.58%	
7.	Total Operating Revenue	<u>21,803</u>	<u>20,467</u>	<u>19,108</u>	<u>18,603</u>	<u>18,370</u>	<u>4.38%</u>	<u>6.53%</u>	
8.	Operating Expenses	11,901	11,576	10,377	10,516	10,966	2.07%	2.81%	
9.	Depreciation & Amortization	3,301	2,995	2,741	2,609	2,395	8.35%	10.22%	
10.	Total Operating Taxes	2,651	2,237	2,534	2,343	1,938	8.15%	18.51%	
11.	Total Expenses, Depr. & Taxes	<u>17,853</u>	<u>16,808</u>	<u>15,652</u>	<u>15,468</u>	<u>15,299</u>	<u>3.94%</u>	<u>6.22%</u>	
12.	Operating Income	<u>\$3,950</u>	<u>\$3,659</u>	<u>\$3,456</u>	<u>\$3,135</u>	<u>\$3,071</u>	<u>6.50%</u>	<u>7.95%</u>	
13.	Net Plant Investment	<u>\$41,966</u>	<u>\$37,739</u>	<u>\$33,380</u>	<u>\$32,779</u>	<u>\$30,574</u>	<u>8.24%</u>	<u>11.20%</u>	
<hr/>									
14.	Oper. Exp. as a % of Total Revenue	54.58%	56.56%	54.31%	56.53%	59.70%	-2.22%	-3.50%	
15.	Net Plt. Investment per \$ of Revenue	\$1.92	\$1.84	\$1.75	\$1.76	\$1.66	3.70%	4.35%	
<hr/>									
16.	Local Access Lines:								
17.	Residential	22	21	21	20	20	2.41%	4.76%	
18.	Business	8	8	7	6	6	7.46%	0.00%	
19.	Total Local Access Lines	<u>30</u>	<u>29</u>	<u>28</u>	<u>26</u>	<u>26</u>	<u>3.64%</u>	<u>3.45%</u>	
20.	Total Access Lines:								
21.	Residential	22	21	21	20	20	2.41%	4.76%	
22.	Business	8	8	7	6	6	7.46%	0.00%	
23.	Total Access Lines	<u>30</u>	<u>29</u>	<u>28</u>	<u>26</u>	<u>26</u>	<u>3.64%</u>	<u>3.45%</u>	
<hr/>									
24.	Estimated Overall Rate of Return	12.67%	12.03%	<b>10.92%</b>	<b>10.50%</b>	<b>10.51%</b>	4.78%	5.32%	
25.	Estimated Return on Common Equity	13.86%	13.03%	<b>12.95%</b>	<b>13.48%</b>	<b>13.07%</b>	1.48%	6.37%	
26.	Common Equity Ratio	79.36%	80.65%	<b>81.28%</b>	<b>89.66%</b>	<b>88.43%</b>	-2.67%	-1.60%	
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	12.63	12.86	<b>20.85</b>	<b>23.98</b>	<b>22.61</b>	-13.55%	-1.79%	
<hr/>									
28.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 16.25% 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 except for data in Italics [Lines 24 - 27, Columns (d) - (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual	
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Growth Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$1,820	\$1,665	\$1,596	\$1,362	\$1,121	12.88%	9.31%
3.	Network Access	2,567	2,540	2,626	2,694	2,396	1.74%	1.06%
4.	Long Distance Message	614	561	423	328	339	16.01%	9.45%
5.	Miscellaneous	134	175	177	150	102	7.06%	-23.43%
6.	Uncollectibles	(46)	(40)	(27)	(19)	(10)	46.45%	15.00%
7.	Total Operating Revenue	5,089	4,901	4,795	4,515	3,948	6.55%	3.84%
8.	Operating Expenses	3,596	3,476	3,024	2,669	2,194	13.15%	3.45%
9.	Depreciation & Amortization	590	921	871	564	513	3.56%	-35.94%
10.	Total Operating Taxes	51	192	258	473	473	-42.70%	-73.44%
11.	Total Expenses, Depr. & Taxes	4,237	4,589	4,153	3,706	3,180	7.44%	-7.67%
12.	Operating Income	<u>\$852</u>	<u>\$312</u>	<u>\$642</u>	<u>\$809</u>	<u>\$768</u>	<u>2.63%</u>	<u>173.08%</u>
13.	Net Plant Investment	<u>\$6,371</u>	<u>\$6,239</u>	<u>\$6,457</u>	<u>\$5,831</u>	<u>\$5,409</u>	<u>4.18%</u>	<u>2.12%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	70.66%	70.92%	63.07%	59.11%	55.57%	6.19%	-0.37%
15.	Net Plt. Investment per \$ of Revenue	\$1.25	\$1.27	\$1.35	\$1.29	\$1.37	-2.27%	-1.57%
<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	13.69%	8.23%	<b>9.92%</b>	<b>13.82%</b>	<b>14.03%</b>	-0.61%	66.34%
25.	Estimated Return on Common Equity	22.55%	11.23%	<b>17.24%</b>	<b>22.03%</b>	<b>24.16%</b>	-1.71%	100.80%
26.	Common Equity Ratio	46.32%	41.90%	<b>42.84%</b>	<b>48.88%</b>	<b>51.34%</b>	-2.54%	10.55%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.74	1.49	<b>4.61</b>	<b>7.17</b>	<b>6.73</b>	-13.66%	151.01%
<hr/>								
28.	<b>LAST RATE CASE</b>	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 (d) - (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	
		September 1996 (b)	September 1995 (c)	September 1994 (d)	September 1993 (e)	September 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$20,632	\$18,153	\$16,745	\$14,882	\$10,524	18.33%	13.66%
3.	Network Access	27,149	26,342	23,518	23,930	20,403	7.40%	3.06%
4.	Long Distance Message	3,701	5,437	5,674	5,170	11,293	-24.34%	-31.93%
5.	Miscellaneous	5,854	5,762	5,209	4,956	5,329	2.38%	1.60%
6.	Uncollectibles	(425)	(407)	(415)	(472)	(459)	-1.91%	4.42%
7.	Total Operating Revenue	<u>56,911</u>	<u>55,287</u>	<u>50,731</u>	<u>48,466</u>	<u>47,090</u>	<u>4.85%</u>	<u>2.94%</u>
8.	Operating Expenses	26,883	25,666	24,536	26,948	20,539	6.96%	4.74%
9.	Depreciation & Amortization	12,660	10,063	7,286	8,256	7,218	15.08%	25.81%
10.	Total Operating Taxes	7,614	8,784	7,082	5,385	7,231	1.30%	-13.32%
11.	Total Expenses, Depr. & Taxes	<u>47,157</u>	<u>44,513</u>	<u>38,904</u>	<u>40,589</u>	<u>34,988</u>	<u>7.75%</u>	<u>5.94%</u>
12.	Other Operating (Income) & Expense	(532)	(234)	1,573	(139)	(137)	40.38%	127.35%
13.	Operating Income	<u>\$10,286</u>	<u>\$11,008</u>	<u>\$10,254</u>	<u>\$8,016</u>	<u>\$12,239</u>	<u>-4.25%</u>	<u>-6.56%</u>
14.	Net Plant Investment	<u>\$85,017</u>	<u>\$78,508</u>	<u>\$72,840</u>	<u>\$69,372</u>	<u>\$67,136</u>	<u>6.08%</u>	<u>8.29%</u>
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	47.24%	46.42%	48.36%	55.60%	43.62%	2.01%	1.75%
16.	Net Plt. Investment per \$ of Revenue	\$1.49	\$1.42	\$1.44	\$1.43	\$1.43	1.17%	5.20%
<hr/>								
17.	Local Access Lines:							
18.	Residential	74	72	69	68	66	2.90%	2.78%
19.	Business	34	31	29	27	26	6.94%	9.68%
20.	Total Local Access Lines	<u>108</u>	<u>103</u>	<u>98</u>	<u>95</u>	<u>92</u>	<u>4.09%</u>	<u>4.85%</u>
21.	Total Access Lines:							
22.	Residential	74	72	69	68	66	2.90%	2.78%
23.	Business	34	31	30	28	27	5.93%	9.68%
24.	Total Access Lines	<u>108</u>	<u>103</u>	<u>99</u>	<u>96</u>	<u>93</u>	<u>3.81%</u>	<u>4.85%</u>
<hr/>								
25.	Estimated Overall Rate of Return	13.80%	16.39%	<b>13.63%</b>	<b>11.07%</b>	<b>17.41%</b>	-5.64%	-15.80%
26.	Estimated Return on Common Equity	14.27%	17.23%	<b>13.37%</b>	<b>10.80%</b>	<b>16.03%</b>	-2.87%	-17.18%
27.	Common Equity Ratio	93.60%	92.10%	<b>94.91%</b>	<b>88.67%</b>	<b>88.52%</b>	1.40%	1.63%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	67.72	69.36	<b>37.93</b>	<b>20.15</b>	<b>24.74</b>	28.63%	-2.36%
<hr/>								
29.	<b>LAST RATE CASE</b>	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 (d) - (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.

## Quarterly Review Distribution List

### Commission Staff

Don Hoover (10 copies)  
 Bob Bennink ( 4 copies)  
 Bob Matula ( 3 copies)

### Public Staff

Robert Gruber,  
 Executive Director ( 1 copy)  
 Antoinette Wike ( 2 copies)  
 Bill Carter ( 3 copies)  
 Gene Clemmons ( 1 copy)  
 Gene Curtis ( 1 copy)  
 Tom Farmer ( 3 copies)  
 Dennis Nightingale ( 1 copy)  
 Andy Lee ( 1 copy)  
 Dorothy Davis ( 1 copy)

### Attorney General's Office

Karen Long ( 2 copies)

### Others

Dwight Allen  
 Carolina Telephone  
 14111 Capital Boulevard  
 Wake Forest, North Carolina 27587-5900

Linda Cheatham  
 BellSouth  
 128 W. Hargett Street  
 Raleigh, North Carolina 27601

Ken Stonebraker  
 Nantahala Power and Light Company  
 P.O. Box 260  
 Franklin, North Carolina 28734

Roy Long  
 Concord Telephone Company  
 P.O. Box 227  
 Concord, North Carolina 28025

William McAulay  
 Public Service  
 P.O. Box 1349  
 Raleigh, North Carolina 27602-1349

Candace Paton  
 Duke Power Company  
 422 S. Church Street  
 Charlotte, North Carolina 28242

### Others (continued)

William O. Butler  
 MEBTEL Communications  
 P.O. Box 9  
 Mebane, North Carolina 27302

Roy M. Tucker, Jr.  
 North State Telephone Company  
 P.O. Box 2326  
 High Point, North Carolina 27261

Darell Mennenga  
 ALLTEL Telephone Corporation  
 One Allied Drive  
 Little Rock, Arkansas 72202

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

Jerry Roberts  
 CUCA  
 Suite 295, Carolina Place  
 2626 Glenwood Avenue  
 Raleigh, North Carolina 27608

Richard Reese, President  
 Lexington Telephone Company  
 P.O. Box 808  
 Lexington, North Carolina 27292

Roger Burge  
 BellSouth  
 P.O. Box 30188  
 Charlotte, North Carolina 28230

Bob Wells  
 North Carolina Telephone Alliance  
 Suite 2700 - 27th Floor  
 First Union Building  
 Raleigh, North Carolina 27601

Ralph McDonald  
 Bailey & Dixon  
 P.O. Box 1351  
 Raleigh, North Carolina 27602

Johnny Bailey  
 Ad Valorem Tax Division  
 North Carolina Department of Revenue

Mark Mulhern  
 Carolina Power & Light Company  
 P.O. Box 1551  
 Raleigh, North Carolina 27602

### Others (continued)

Donald F. Harrow  
 Piedmont Natural Gas Company  
 P.O. Box 33068  
 Charlotte, North Carolina 28233

Tom K. Austin  
 North Carolina Electric  
 Membership Corporation  
 P.O. Box 27306  
 Raleigh, North Carolina 27611

M.J. Houck  
 AT&T  
 150 Fayetteville Street Mall  
 Suite 2810  
 Raleigh, North Carolina 27601

Stuart B. Dixon  
 North Carolina Natural Gas Corporation  
 P.O. Box 909  
 Fayetteville, North Carolina 28302-0909