"Quarterly Review"

Selected Financial and Operational Data:

Re:

Electric Companies

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

Natural Gas Local Distribution Companies

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

Telecommunications Companies

- *Carolina Telephone and Telegraph Company LLC,*
  d/b/a CenturyLink
- *Central Telephone Company, d/b/a CenturyLink*
- *Citizens Telephone Company*
- *Mebtel, Inc., d/b/a CenturyLink*
- *North State Telephone Company, d/b/a*
  North State Communications
- *Verizon South Inc.*
- *Windstream Concord Telephone, Inc.*
- *Windstream Lexcom Communications, Inc.*
- *Windstream North Carolina, LLC*

▪ *Quarter Ending December 31, 2009* ▪

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

June 28, 2010

MEMORANDUM

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

FROM: Donald R. Hoover, Director DRH
Operations Division

The Operations Division hereby presents for your consideration the *Quarterly Review* for the calendar quarter ending December 31, 2009. Such report, which has been prepared by the Operations Division, presents an overview of selected financial and operational information and data for 14 major investor-owned public utilities regulated by the Commission.

On October 5, 2009, in Docket No. P-55, Sub 1013M, BellSouth Telecommunications, Inc., d/b/a AT&T North Carolina filed its notice of election of a Subsection (h) price plan as provided for in House Bill 1180, which was signed into law on June 30, 2009, as set forth in Session Law 2009-238, entitled, "An Act Establishing the Consumer Choice and Investment Act of 2009". As a result of such election, AT&T North Carolina is no longer required to provide an annual report to the Commission as directed by Commission Rule R1-32. Consequently, information related to AT&T North Carolina is no longer presented in this report.

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

Thank you for your consideration.

DRH/FHH/BBK/kah

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Table of Contents

Part I

Introduction

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

The *Quarterly Review* has been designed and is structured so as to provide, in a clear and concise format, relevant and useful financial and operational information pertaining to 14 major investor-owned public utilities regulated by the North Carolina Utilities Commission (Commission): three electric companies, two natural gas local distribution companies, and nine telecommunications companies. The primary focus of this report is one of a jurisdictional financial nature. However, albeit limited, certain jurisdictional operational information is also included.

To a vast extent the information presented herein is organized into individual company overviews. The data presented covers a period of five years, except for one telephone company, Windstream Lexcom Communications, Inc. (Windstream Lexcom)[1] for which only one year of data is available as a result of Windstream Lexcom's election for price regulation which became effective June 8, 2009.[2] From a general viewpoint, the individual company overviews, excluding to a certain extent those of the price regulated telephone companies, for which information is strictly limited, provide information that users of this report will find helpful from the standpoint of gaining insight into each company's jurisdictional financial standing and in acquiring a sense of the magnitude of each company's overall jurisdictional economic dimension.

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

The aforementioned reporting requirement changes for the price regulated telephone companies were implemented by Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, in response to passage of Senate Bill 814 (An Act to Clarify the Law Regarding Competitive and Deregulated Offerings of Telecommunications Services), and as previously indicated, were effective for reporting periods beginning with calendar year 2003. Specifically, in the present regard, the April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the TS-1 Report previously submitted annually by the price regulated telephone companies. Consequently, beginning with the 4th quarter 2003

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[1] Formerly known as LEXCOM Telephone Company (LEXCOM) prior to its name change, which became effective December 7, 2009.

[2] On April 22, 2009, the Commission issued an Order Approving Price Regulation Plan for implementation by LEXCOM, in Docket No. P-31, Sub 145, effective no later than July 1, 2009. LEXCOM elected for its price regulation plan to become effective on June 8, 2009. Consequently, beginning with the reporting period ending December 31, 2009, LEXCOM is now providing its annual report in accordance with the reporting requirements for the price regulated telephone companies.

Quarterly Review, which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided. Further, the information provided by the eight price regulated telephone companies included in this report is presented on a total North Carolina combined basis, including both their regulated and nonregulated operations, as that is what is now being provided to the Commission.

Furthermore, on June 30, 2009, House Bill 1180 (HB1180) became law as set forth in Session Law 2009-238. Said law, entitled "An Act Establishing the Consumer Choice and Investment Act of 2009," created a new category of price plan operation whereby any local exchange carrier or competing local provider may choose to adopt by simply "filing notice of its intent to do so with the Commission," with such election being effective immediately upon filing. Subsection (h) price plans[3] provide for extensive deregulation of an eligible company's "terms, conditions, rates, or availability" relating to its retail services. While such deregulation is very extensive by historical standards, it is not a complete deregulation of the telecommunications industry.[4]

On October 5, 2009, in Docket No. P-55, Sub 1013M, BellSouth Telecommunications, Inc., d/b/a AT&T North Carolina filed its notice of election of a Subsection (h) price plan as provided for in HB1180, pursuant to G.S. 62-133.5(h). To date, AT&T North Carolina is the only incumbent local exchange carrier to make such an election. As a result of such election, AT& T North Carolina is no longer required to provide an annual report to the Commission as directed by Commission Rule R1-32. Alternatively, as required by the Commission's March 30, 2010 Order in Docket No. P-100, Sub 165, AT&T North Carolina will provide the Commission, on an annual basis, a link to its financial filings with the Security and Exchange Commission.

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

A Specific Objective

A specific objective of this reporting process is to present to the Commission, on an ongoing basis, meaningful information regarding the financial viability of the subject

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[3] In general, the Commission refers to the new price plan category which resulted from the passage of HB1180 as "Subsection (h) price plans".

[4] See Docket No. P-100, Sub 165 for additional information regarding the implications of the enactment of HB1180 and the implementation of Subsection (h) price plans.

companies, including the reasonableness of the overall levels of rates and charges currently being charged by jurisdictional utilities, whose rates are cost based, for their sales of services. Cost based regulation is synonymous with rate base, rate of return regulation.

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

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

The Key Financial Ratios

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

The Return on Common Equity

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

The Common Equity Capitalization Ratio

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

Alternatively, the financial riskiness of the firm, some might argue, is more appropriately revealed when expressed in terms of debt leverage, particularly when preferred stock is present in the capital structure. Such leverage is the ratio of long-term debt capital to total investor-supplied capital. Both approaches are clearly insightful and useful. In evaluating the superiority of one approach in comparison to the other, one should consider the context within which the information is to be used. Since a major objective of this report is to review the reasonableness of the levels of earnings of the companies' common stockholders, and in consideration of the other key financial benchmarks which are also presented herein, the common equity capitalization ratio appears to be the most appropriate and meaningful measure of the financial riskiness of the companies for use in this regard.

The Pretax Interest Coverage Ratio

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

The Overall Rate of Return

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

The Propriety of the Methodology

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

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

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

From the standpoint of giving an added measure of meaning to the aforesaid ratios of the individual companies and in the interest of providing a sense of current financial market conditions, certain financial information has been included herein as notes to the first statement included in Part II of this report. Such notes are an integral part of this report.

Additionally, also from the standpoint of providing perspective, returns on common equity and overall rates of return currently being authorized by a number of other public utility regulatory agencies are provided in the second statement presented in Part II.

A Final Note

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

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

Part II

A Review of Key Financial Ratios

- ***Summary Statement of Key Financial Ratios For Six Selected Companies For The Twelve Months Ended December 31, 2009 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Debt Ratios — And Certain Rate Case Data***

- ***Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By Public Utilities Reports, Volume Nos. 271-278 from March 2009 Through February 2010***

Summary Statement

Of Key Financial Ratios Achieved By
And Authorized For Selected Companies

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

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

		Estimated for 12 Months Ended 12/31/09				*Authorized - Last Rate Case*			
Line No.	Item (a)	Return On Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Debt Ratio (e)	*Return On Equity (f)*	*Overall Rate of Return (g)*	*Equity Ratio (h)*	*Date of Last Order (i)*
	Electric Companies								
1.	Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.	11.60%	8.79%	55.50%	43.80%	*12.75%*	*10.45%*	*44.00%*	*08/05/1988*
2.	Duke Energy Carolinas, LLC	9.24%	7.45%	52.30%	47.70%	*10.70%*	*8.38%*	*52.50%*	*12/07/2009*
3.	Virginia Electric and Power Company, d/b/a Dominion North Carolina Power	7.19%	6.48%	51.08%	47.03%	*N/A*	*N/A*	*N/A*	*03/18/2005*
	Natural Gas Local Distribution Companies								
4.	Piedmont Natural Gas Company, Inc.	12.58%	8.60%	46.23%	53.77%	*10.60%*	*8.55%*	*51.00%*	*10/24/2008*
5.	Public Service Company of North Carolina, Inc.	12.12%	8.57%	51.38%	48.62%	*10.60%*	*8.54%*	*54.00%*	*10/24/2008*
	Telecommunications Companies								
	Rate of Return Regulated Companies								
6.	Citizens Telephone Company	2.20%	2.20%	100.00%	0.00%	*12.70%*	*10.11%*	*44.95%*	*02/26/1991*
	Price Plan Regulated Companies	--- Data is not available. See Note [1] ---							
7.	Carolina Telephone and Telegraph Company LLC, d/b/a CenturyLink								
8.	Central Telephone Company, d/b/a CenturyLink								
9.	Mebtel, Inc., d/b/a CenturyLink								
10.	North State Telephone Company, d/b/a North State Communications								
11.	Verizon South Inc.								
12.	Windstream Concord Telephone, Inc.								
13.	Windstream Lexcom Communications, Inc.								
14.	Windstream North Carolina, LLC								

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

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

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

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

[5] On April 22, 2009, the Commission issued an Order Approving Price Regulation Plan for implementation by LEXCOM in Docket No. P-31, Sub 145, effective no later than July 1, 2009. LEXCOM elected for its price regulation plan to become effective on June 8, 2009. On February 4, 2010, LEXCOM notified the Commission that its name has been changed to Windstream Lexcom Communications, Inc.

NOTES - continued

NOTES: [6] Selected financial market indicators from "Moody's Credit Trends" updated on June 17, 2010 follow:

Part I

		U.S. Treasury Securities			Dealer-Placed	Moody's Long-Term
Line No.	Date	3-Month Bill %	10-Year Note %	30-Year Bond %	3-Month CP %	Corporate Bond Yield %
	(a)	(b)	(c)	(d)	(e)	(f)
1.	June 16, 2010	0.10	ND	4.18	ND	5.60
2.	June 15, 2010	0.09	3.32	4.23	0.32	5.64
3.	June 14, 2010	0.07	3.28	4.20	0.31	5.62
4.	June 11, 2010	0.08	3.24	4.15	ND	5.55
5.	June 10, 2010	0.10	3.33	4.25	0.30	5.65
6.	Month of May 2010	0.16	3.42	4.29	ND	5.61
7.	Month of April 2010	0.16	3.85	4.69	0.42	5.67

Part II

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

			Past 12 Months		Monthly Average	
Line No.	Rating	6/16/2010 [7]	High	Low	Jun. 2010	May 2010
	(a)	(b)	(c)	(d)	(e)	(f)
1.	Aa	5.29	5.68	5.15	5.29	5.34
2.	A	5.52	5.97	5.53	5.54	5.57
3.	Baa	6.27	6.87	6.06	6.21	6.15

[7] Most recent data available when this edition of the *Quarterly Review* was prepared. According to "Moody's Credit Trends", updated on June 17, 2010, such long-term bond yield averages are derived from pricing data on a regularly-replenished population of nearly 90 seasoned corporate bonds in the United States market, each with current outstandings over $100 million. Further, the bonds have maturities as close as possible to 30 years; bonds are dropped from the list if their remaining life falls below 20 years or if their ratings change.

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

Statement of Authorized Returns
On Common Equity and Overall Rates of Return
Granted By Various Public Utility Regulatory Agencies As Reported In
***Public Utilities Reports,* Volume Nos. 271-278, from March 2009 through February 2010**
(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns: Common Equity (b)		Authorized Returns: Overall (c)	Date Of Order (d)	Volume No. *Public Utilities Reports* (e)
	Electric Companies					
1.	Atlanta Power Company (ID)	12.00%		11.52%	12/19/2008	Volume 271
2.	The United Illuminating Company (CT)	8.75%		7.59%	02/04/2009	Volume 271
3.	Northern States Power Company (ND)	10.75%	[1]	N/A	01/14/2009	Volume 271
4.	Union Electric Company, d/b/a AmerenUE (MO)	10.76%		N/A	02/06/2009	Volume 271
5.	Tampa Electric Company (FL)	11.25%		8.11%	04/30/2009	Volume 273
6.	Indiana Michigan Power Company (IN)	10.50%		7.62%	03/04/2009	Volume 273
7.	Central Hudson Gas and Electric Corporation (NY)	10.00%		7.28%	06/22/2009	Volume 274
8.	Duke Energy Ohio, Inc. (OH)	N/A		8.61%	07/08/2009	Volume 275
9.	Avista Corporation (ID)	10.50%		8.55%	07/17/2009	Volume 275
10.	Oncor Electric Delivery Company, LLC (TX)	10.25%		8.28%	08/31/2009	Volume 277
11.	Northern States Power Company, d/b/a Xcel Energy (MN)	10.88%		8.83%	10/23/2009	Volume 277
12.	Delmarva Power & Light Company (MD)	10.00%		7.96%	12/30/2009	Volume 278
13.	Consumers Energy Company (MI)	10.70%		6.98%	11/02/2009	Volume 278
	Natural Gas Local Distribution Companies					
14.	New England Gas Company (MA)	10.05%		7.74%	02/02/2009	Volume 271
15.	Narragansett Electric, d/b/a National Grid (RI)	10.50%		N/A	01/29/2009	Volume 272
16.	Northern Illinois Gas Company, d/b/a Nicor Gas Company (IL)	10.11%		7.58%	03/25/2009	Volume 272
17.	Illinois Gas Company (IL)	10.94%		7.81%	05/13/2009	Volume 273
18.	EnergyNorth Natural Gas, Inc., d/b/a National Grid NH (NH)	9.54%		N/A	05/29/2009	Volume 273
19.	Peoples Gas System (FL)	10.75%		8.50%	06/09/2009	Volume 274
20.	Central Hudson Gas and Electric Corporation (NY)	10.00%		7.28%	06/22/2009	Volume 274
21.	Connecticut Natural Gas Corporation (CT)	9.31%		7.92%	06/30/2009	Volume 274
22.	Black Hills/Iowa Gas Utility Company, LLC, d/b/a Black Hills Energy (IA)	10.10%		8.71%	06/03/2009	Volume 275
23.	Minnesota Energy Resources Corporation (MN)	10.21%		7.98%	06/29/2009	Volume 275

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 Common Equity (b)		Authorized Returns Overall (c)	Date Of Order (d)	Volume No. *Public Utilities Reports* (e)
	Natural Gas Local Distribution Companies (continued)					
24.	Avista Corporation (ID)	10.50%		8.55%	07/17/2009	Volume 275
25.	Wyoming Gas Company (WY)	10.87%		9.08%	08/10/2009	Volume 275
26.	Southern Connecticut Gas Company (CT)	9.26%		8.05%	07/17/2009	Volume 276
27.	Orange and Rockland Utilities, Inc. (NY)	10.40%	[2]	8.49%	10/16/2009	Volume 276
28.	Southwest Gas Corporation (NV)	10.15%		N/A	11/03/2009	Volume 277
29.	Hope Gas, Inc., d/b/a Dominion Hope (WV)	9.45%		6.86%	11/20/2009	Volume 277
30.	CenterPoint Energy (MN)	10.24%		8.09%	01/11/2010	Volume 278
	Water Companies					
31.	Return on Common Equity for Water and Wastewater Utilities (FL)	[3]		N/A	12/31/2008	Volume 271
32.	California Water Service Company (CA)	10.20%	[4]	8.58%	05/07/2009	Volume 272
33.	California-American Water Company (CA)	10.20%	[4]	8.04%	05/07/2009	Volume 272
34.	Golden State Water Company (CA)	10.20%	[4]	8.90%	05/07/2009	Volume 272
35.	West Virginia-American Water Company (WV)	10.00%		8.10%	04/01/2009	Volume 273
36.	City of Waukesha Water Utility (WI)	7.04%	[5]	6.25%	06/05/2009	Volume 274

Notes:

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

[2] The rate plan requires that any earnings in excess of an 11.4% return on equity (ROE) is to be shared with ratepayers. Earnings between 11.4% ROE and 12.4% ROE would be shared equally; earnings between 12.4% ROE and 14% ROE would be shared 65% to ratepayers and 35% to the local distribution company (LDC); and earnings over 14% would be shared 90% to ratepayers and 10% to the LDC.

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

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

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

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

Part III

Overviews of Selected Financial and Operational Data by Utility:

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

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

Line No.	Item (a)	12 Months Ended December 2009 (b)	December 2008 (c)	December 2007 (d)	December 2006 (e)	December 2005 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue	$3,379,227	$3,179,055	$3,154,959	$2,886,790	$2,816,219	4.66%	6.30%
2.	Operating Expenses:							
3.	Fuel	1,171,481	875,588	936,072	776,689	678,354	14.64%	33.79%
4.	Purchased Power	152,489	232,584	202,755	226,028	240,456	-10.76%	-34.44%
5.	Maintenance	234,345	212,478	232,143	188,544	169,432	8.45%	10.29%
6.	Other Operating Expenses	589,522	564,997	537,866	504,726	528,366	2.78%	4.34%
7.	Total Operating Expenses	2,147,837	1,885,647	1,908,836	1,695,987	1,616,608	7.36%	13.90%
8.	Depreciation & Amortization	337,235	389,847	401,855	453,675	446,730	-6.79%	-13.50%
9.	Total Expenses & Depreciation	2,485,072	2,275,494	2,310,691	2,149,662	2,063,338	4.76%	9.21%
10.	Total Operating Taxes	412,155	406,637	381,119	345,703	348,157	4.31%	1.36%
11.	Total Expenses, Depr. & Taxes	2,897,227	2,682,131	2,691,810	2,495,365	2,411,495	4.69%	8.02%
12.	Operating Income	$482,000	$496,924	$463,149	$391,425	$404,724	4.47%	-3.00%
13.	Net Plant Investment	$5,280,498	$5,070,132	$4,756,860	$4,722,408	$4,740,916	2.73%	4.15%
14.	Oper. Exp. as a % of Total Revenue	63.56%	59.31%	60.50%	58.75%	57.40%	2.58%	7.17%
15.	Net Plt. Investment per $ of Revenue	$1.56	$1.59	$1.51	$1.64	$1.68	-1.84%	-1.89%
16.	Number of Customers Served (000s included):							
17.	Residential	1,098,279	1,087,039	1,069,169	1,046,236	1,022,873	1.79%	1.03%
18.	Commercial	190,683	189,448	188,823	185,665	182,482	1.11%	0.65%
19.	Industrial	4,027	4,084	3,451	3,521	3,560	3.13%	-1.40%
20.	Other	1,803	1,849	1,946	1,990	2,066	-3.35%	-2.49%
21.	Total Number of Customers	1,294,792	1,282,420	1,263,389	1,237,412	1,210,981	1.69%	0.96%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	14,954	14,833	15,011	14,135	14,473	0.82%	0.82%
24.	Commercial	11,898	12,162	12,222	11,612	11,555	0.73%	-2.17%
25.	Industrial	8,115	8,847	9,178	9,248	9,469	-3.78%	-8.27%
26.	Other	2,327	2,161	2,423	2,083	2,851	-4.95%	7.68%
27.	Total Sales	37,294	38,003	38,834	37,078	38,348	-0.69%	-1.87%
28.	Estimated Overall Rate of Return	8.79%	9.00%	7.98%	7.14%	8.10%	2.06%	-2.33%
29.	Estimated Return on Common Equity	11.60%	11.65%	10.06%	8.50%	10.55%	2.40%	-0.43%
30.	Common Equity Ratio	55.50%	53.44%	49.29%	46.68%	48.44%	3.46%	3.85%
31.	Debt Ratio	43.80%	45.78%	49.88%	52.47%	50.65%	-3.57%	-4.33%
32.	Estimated Pretax Interest Coverage Ratio (Times)	5.62	4.86	3.93	3.37	4.09	8.27%	15.64%

33. **LAST RATE CASE** (Docket No. E-2, Sub 537) — Authorized Returns: Common Equity 12.75%, Overall 10.45%; Equity Ratio: 44.00%; Date of Order: 8-5-88

Notes:
[1] North Carolina retail jurisdictional revenue equates to 73% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.

DUKE ENERGY CAROLINAS, LLC
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended December 2009 (b)	December 2008 (c)	December 2007 (d)	December 2006 (e)	December 2005 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue	$3,857,612	$4,097,014	$3,967,883	$3,716,151	$3,610,073	1.67%	-5.84%
2.	Operating Expenses:							
3.	Fuel	989,667	1,104,301	935,343	856,527	684,032	9.67%	-10.38%
4.	Purchased Power	130,139	189,643	115,117	99,121	58,806	21.97%	-31.38%
5.	Maintenance	390,984	398,669	351,391	319,135	339,542	3.59%	-1.93%
6.	Other Operating Expenses	715,006	737,484	678,584	682,896	665,071	1.83%	-3.05%
7.	Total Operating Expenses	2,225,796	2,430,097	2,080,435	1,957,679	1,747,451	6.24%	-8.41%
8.	Depreciation & Amortization	469,989	514,358	719,257	688,523	755,863	-11.20%	-8.63%
9.	Total Expenses & Depreciation	2,695,785	2,944,455	2,799,692	2,646,202	2,503,314	1.87%	-8.45%
10.	Total Operating Taxes	512,569	497,719	488,908	447,198	485,607	1.36%	2.98%
11.	Total Expenses, Depr. & Taxes	3,208,354	3,442,174	3,288,600	3,093,400	2,988,921	1.79%	-6.79%
12.	Operating Income	$649,258	$654,840	$679,283	$622,751	$621,152	1.11%	-0.85%
13.	Net Plant Investment	$11,212,164	$9,460,089	$8,791,284	$8,588,532	$8,146,548	8.31%	18.52%
14.	*Oper. Exp. as a % of Total Revenue*	57.70%	59.31%	52.43%	52.68%	48.40%	4.49%	-2.71%
15.	Net Plt. Investment per $ of Revenue	$2.91	$2.31	$2.22	$2.31	$2.26	6.52%	25.97%
16.	Number of Customers Served (000s included):							
17.	Residential	1,578,510	1,570,565	1,487,623	1,458,838	1,429,463	2.51%	0.51%
18.	Commercial	248,534	255,563	240,139	236,814	232,663	1.66%	-2.75%
19.	Industrial	5,502	5,575	5,432	5,511	5,619	-0.52%	-1.31%
20.	Other	10,744	10,705	10,292	9,975	9,938	1.97%	0.36%
21.	Total Number of Customers	1,843,290	1,842,408	1,743,486	1,711,138	1,677,683	2.38%	0.05%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	20,827	20,793	20,328	19,038	19,327	1.89%	0.16%
24.	Commercial	21,310	21,488	21,160	20,092	19,822	1.83%	-0.83%
25.	Industrial	11,461	13,441	14,121	14,345	15,052	-6.59%	-14.73%
26.	Other	1,066	3,042	1,755	881	494	21.20%	-64.96%
27.	Total Sales	54,664	58,764	57,364	54,356	54,695	-0.01%	-6.98%
28.	Estimated Overall Rate of Return	7.45%	7.80%	8.48%	8.65%	9.19%	-5.11%	-4.49%
29.	Estimated Return on Common Equity	9.24%	9.79%	10.75%	11.54%	12.71%	-7.66%	-5.62%
30.	Common Equity Ratio	52.30%	52.17%	54.37%	51.87%	53.07%	-0.36%	0.25%
31.	Debt Ratio	47.70%	47.83%	45.63%	48.13%	45.43%	1.23%	-0.27%
32.	Estimated Pretax Interest Coverage Ratio (Times)	3.99	4.04	4.40	4.39	5.63	-8.25%	-1.24%

33. **LAST RATE CASE** (Docket No. E-7, Sub 909) — Authorized Returns: Common Equity 10.70%, Overall 8.38%; Equity Ratio: 52.50%; Date of Order: 12-07-09

Notes:
[1] North Carolina retail jurisdictional revenue equates to 70% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.
[4] The estimated ROE impacts of the BPM net revenues under the sharing arrangement approved in Docket No. E-7, Sub 751 are as follows for the 12-month periods ending December 31st: 2009 - N/A; 2008 - N/A; 2007 - 0.38%; 2006 - 0.36%; and 2005 - 1.04%.
Such impacts are not included in the estimated ROEs presented on Line 29 above. Pursuant to the Commission's final Order in Docket No. E-7, Sub 828, effective January 1, 2008, 90% of the North Carolina retail BPM Net Revenues earned after December 31, 2007, are now included in the North Carolina retail cost of service for ratemaking and reporting purposes.
[5] Columns (b) and (c) reflect that, pursuant to the Commission's December 20, 2007 Order in Docket No. E-7, Sub 828, all North Carolina jurisdictional reporting and accounting for Duke Energy Carolinas, LLC - Nantahala Area is consolidated with Duke Energy Carolinas, LLC.

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

Line No.	Item (a)	December 2009 (b)	December 2008 (c)	December 2007 (d)	December 2006 (e)	December 2005 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue	$330,408	$303,776	$321,616	$286,955	$290,317	3.29%	8.77%
2.	Operating Expenses:							
3.	Fuel	104,145	48,255	88,112	66,344	67,893	11.29%	115.82%
4.	Purchased Power	60,260	104,493	89,019	74,869	76,547	-5.81%	-42.33%
5.	Maintenance	0	0	0	0	0	N/A	N/A
6.	Other Operating Expenses	74,223	67,764	70,713	56,447	56,485	7.07%	9.53%
7.	Total Operating Expenses	238,628	220,512	247,844	197,660	200,925	4.39%	8.22%
8.	Depreciation & Amortization	34,328	32,150	29,459	26,004	23,952	9.41%	6.77%
9.	Total Expenses & Depreciation	272,956	252,662	277,303	223,664	224,877	4.96%	8.03%
10.	Total Operating Taxes	24,252	27,060	22,656	32,328	26,832	-2.50%	-10.38%
11.	Total Expenses, Depr. & Taxes	297,208	279,722	299,959	255,992	251,709	4.24%	6.25%
12.	Operating Income	$33,200	$24,054	$21,657	$30,963	$38,608	-3.70%	38.02%
13.	Net Plant Investment	$641,493	$619,108	$614,951	$601,355	$615,042	1.06%	3.62%
14.	Oper. Exp. as a % of Total Revenue	72.22%	72.59%	77.06%	68.88%	69.21%	1.07%	-0.51%
15.	Net Plt. Investment per $ of Revenue	$1.94	$2.04	$1.91	$2.10	$2.12	-2.19%	-4.90%
16.	Number of Customers Served (000s included):							
17.	Residential	100,792	100,629	100,239	99,570	98,905	0.47%	0.16%
18.	Commercial	15,488	15,515	15,478	15,381	15,453	0.06%	-0.17%
19.	Industrial	59	60	64	69	69	-3.84%	-1.67%
20.	Other	2,264	2,280	2,273	2,254	2,264	0.00%	-0.70%
21.	Total Number of Customers	118,603	118,484	118,054	117,274	116,691	0.41%	0.10%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,579	1,546	1,579	1,476	1,575	0.06%	2.13%
24.	Commercial	809	804	810	777	779	0.95%	0.62%
25.	Industrial	1,497	1,715	1,724	1,775	1,709	-3.26%	-12.71%
26.	Other	144	146	148	145	151	-1.18%	-1.37%
27.	Total Sales	4,029	4,211	4,261	4,173	4,214	-1.12%	-4.32%
28.	Estimated Overall Rate of Return	6.48%	4.89%	4.38%	6.12%	7.60%	-3.91%	32.52%
29.	Estimated Return on Common Equity	7.19%	4.31%	3.17%	6.48%	9.67%	-7.14%	66.82%
30.	Common Equity Ratio	51.08%	49.85%	53.02%	51.23%	48.42%	1.35%	2.47%
31.	Debt Ratio	47.03%	46.84%	40.87%	42.80%	45.27%	0.96%	0.41%
32.	Estimated Pretax Interest Coverage Ratio (Times)	2.77	2.54	2.34	3.87	3.81	-7.66%	9.06%

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

Notes:
[1] North Carolina retail jurisdictional revenue equates to 5% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	December 2009 (b)	December 2008 (c)	December 2007 (d)	December 2006 (e)	December 2005 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Residential	$529,056	$579,775	$505,869	$524,601	$551,072	-1.01%	-8.75%
3.	Commercial	323,489	345,269	285,287	298,037	322,049	0.11%	-6.31%
4.	Industrial	42,310	109,932	101,276	102,619	126,516	-23.95%	-61.51%
5.	Public Authorities	426	319	395	394	409	1.02%	33.54%
6.	Other	76,554	86,448	87,620	76,248	104,286	-7.44%	-11.45%
7.	Total Operating Revenue	971,835	1,121,743	980,447	1,001,899	1,104,332	-3.14%	-13.36%
8.	Cost of Gas	584,453	742,219	643,148	637,905	763,710	-6.47%	-21.26%
9.	Margin	387,382	379,524	337,299	363,994	340,622	3.27%	2.07%
10.	O & M Expenses	150,084	150,053	149,804	151,414	145,027	0.86%	0.02%
11.	Other Deductions	132,511	122,463	101,997	113,606	107,252	5.43%	8.20%
12.	Operating Income	$104,787	$107,008	$85,498	$98,974	$88,343	4.36%	-2.08%
13.	Net Plant Investment	$1,569,242	$1,567,919	$1,457,759	$1,373,200	$1,287,132	5.08%	0.08%
14.	Operating Exp. as a % of Margin	38.74%	39.54%	44.41%	41.60%	42.58%	-2.34%	-2.02%
15.	Net Plt. Investment per $ of Margin	$4.05	$4.13	$4.32	$3.77	$3.78	1.74%	-1.94%
16.	Gas Delivered in DTs (000s omitted):							
17.	Residential	36,994	36,739	33,108	31,774	36,829	0.11%	0.69%
18.	Commercial	27,726	25,477	23,042	22,368	24,614	3.02%	8.83%
19.	Industrial	4,930	9,391	10,489	9,770	11,545	-19.16%	-47.50%
20.	Public Authorities	33	23	30	29	32	0.77%	43.48%
21.	Other	97,146	91,975	89,783	81,536	78,613	5.43%	5.62%
22.	Total DTs	166,829	163,605	156,452	145,477	151,633	2.42%	1.97%
23.	Number of Customers (000s included):							
24.	Residential	596,647	597,127	589,939	575,991	557,850	1.70%	-0.08%
25.	Commercial	64,191	64,652	63,751	63,207	62,415	0.70%	-0.71%
26.	Industrial	1,108	1,169	1,724	1,738	1,748	-10.77%	-5.22%
27.	Public Authorities	1,368	441	571	571	571	24.41%	210.20%
28.	Other	559	535	553	557	568	-0.40%	4.49%
29.	Total Number of Customers	663,873	663,924	656,538	642,064	623,152	1.60%	-0.01%
30.	Estimated Overall Rate of Return	8.60%	8.56%	7.30%	9.03%	8.56%	0.12%	0.47%
31.	Estimated Return on Common Equity	12.58%	11.73%	8.15%	11.68%	10.36%	4.97%	7.25%
32.	*Common Equity Ratio*	*46.23%*	*46.24%*	*47.97%*	*49.07%*	*53.82%*	-3.73%	-0.02%
33.	Debt Ratio	53.77%	53.76%	52.03%	50.93%	46.18%	3.88%	0.02%
34.	Estimated Pretax Interest Coverage Ratio (Times)	4.49	3.89	2.90	3.86	4.10	2.30%	15.42%

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

Notes:
[1] North Carolina retail jurisdictional revenue equates to approximately 72% 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.

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

Line No.	Item	12 Months Ended December 2009	December 2008	December 2007	December 2006	December 2005	Annual Growth Rate Four Year	Current Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Residential	$343,270	$413,089	$352,881	$340,161	$383,028	-2.70%	-16.90%
3.	Commercial	136,638	181,510	151,960	166,821	189,952	-7.91%	-24.72%
4.	Industrial	22,409	46,971	38,992	23,206	36,126	-11.25%	-52.29%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	3	6	5	10	7	-19.09%	-50.00%
7.	Other	26,001	28,700	33,476	43,210	50,680	-15.37%	-9.40%
8.	Total Operating Revenue	528,321	670,276	577,314	573,408	659,793	-5.40%	-21.18%
9.	Cost of Gas	308,783	457,365	377,921	391,590	477,983	-10.35%	-32.49%
10.	Margin	219,538	212,911	199,393	181,818	181,810	4.83%	3.11%
11.	O & M Expenses	83,042	87,285	83,880	78,716	80,589	0.75%	-4.86%
12.	Other Deductions	73,890	66,854	61,308	57,653	58,433	6.04%	10.52%
13.	Operating Income	$62,606	$58,772	$54,205	$45,449	$42,788	9.98%	6.52%
14.	Net Plant Investment	$778,192	$776,582	$729,978	$670,330	$619,333	5.87%	0.21%
15.	Operating Exp. as a % of Margin	37.83%	41.00%	42.07%	43.29%	44.33%	-3.89%	-7.73%
16.	Net Plt. Investment per $ of Margin	$3.54	$3.65	$3.66	$3.69	$3.41	0.94%	-3.01%
17.	Gas Delivered in DTs (000s omitted):							
18.	Residential	26,609	25,477	23,530	21,953	25,054	1.52%	4.44%
19.	Commercial	13,385	13,186	12,396	13,180	14,847	-2.56%	1.51%
20.	Industrial	2,985	4,162	4,051	2,351	2,776	1.83%	-28.28%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22.	Resale	0	0	0	1	1	N/A	N/A
23.	Other	27,581	28,806	29,353	29,196	28,165	-0.52%	-4.25%
24.	Total DTs	70,560	71,631	69,330	66,681	70,843	-0.10%	-1.50%
25.	Number of Customers (000s included):							
26.	Residential	432,326	427,312	417,047	401,777	386,235	2.86%	1.17%
27.	Commercial	39,986	39,902	39,575	39,110	38,788	0.76%	0.21%
28.	Industrial	172	192	213	231	55	32.98%	-10.42%
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30.	Resale	2	2	2	3	3	-9.64%	0.00%
31.	Other	464	454	438	420	382	4.98%	2.20%
32.	Total Number of Customers	472,950	467,862	457,275	441,541	425,463	2.68%	1.09%
33.	Estimated Overall Rate of Return	8.57%	7.90%	7.82%	7.11%	7.76%	2.51%	8.48%
34.	Estimated Return on Common Equity	12.12%	10.13%	9.16%	7.66%	8.92%	7.97%	19.64%
35.	Common Equity Ratio	51.38%	49.52%	47.86%	49.02%	50.97%	0.20%	3.76%
36.	Debt Ratio	48.62%	50.48%	52.14%	50.98%	49.03%	-0.21%	-3.68%
37.	Estimated Pretax Interest Coverage Ratio (Times)	5.26	3.77	3.03	2.82	3.31	12.28%	39.52%

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

Notes: [1] Rates are set on a total company basis.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports.
[4] The increase from December 2005 to December 2006 in the industrial customer data was primarily due to the fact that the threshold for qualifying as a large quantity general service customer was reduced from 120,000 therms per year to 60,000 therms per year (see Order Approving Partial Rate Increase issued on October 23, 2006 in Docket No. G-5, Sub 481).
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

CAROLINA TELEPHONE AND TELEGRAPH COMPANY LLC, d/b/a CENTURYLINK

SELECTED FINANCIAL AND OPERATIONAL DATA

North Carolina Operations (Regulated and Nonregulated)

(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended December 2009 (b)	December 2008 (c)	December 2007 (d)	December 2006 (e)	December 2005 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	$307,651	$332,818	$344,580	$358,259	$376,281	-4.91%	-7.56%
3.	Network Access	225,425	244,664	246,659	278,006	284,709	-5.67%	-7.86%
4.	Long Distance Message	3,095	3,163	3,842	4,655	5,459	-13.23%	-2.15%
5.	Miscellaneous	214,569	225,106	225,434	179,227	169,894	6.01%	-4.68%
6.	Uncollectibles	(12,923)	(15,184)	(12,025)	(8,599)	(11,813)	2.27%	-14.89%
7.	Total Operating Revenue	737,817	790,567	808,490	811,548	824,530	-2.74%	-6.67%
8.	Operating Expenses	362,538	392,485	431,514	444,969	445,657	-5.03%	-7.63%
9.	Depreciation & Amortization	132,360	124,233	119,120	117,925	116,747	3.19%	6.54%
10.	Total Operating Taxes	98,258	110,789	102,982	97,514	105,954	-1.87%	-11.31%
11.	Total Expenses, Depr. & Taxes	593,156	627,507	653,616	660,408	668,358	-2.94%	-5.47%
12.	Operating Income	$144,661	$163,060	$154,874	$151,140	$156,172	-1.90%	-11.28%
13.	Net Telecommunications Plant	$819,550	$842,224	$855,670	$856,004	$846,627	-0.81%	-2.69%
14.	Oper. Exp. as a % of Total Revenue	49.14%	49.65%	53.37%	54.83%	54.05%	-2.35%	-1.03%
15.	Net Telecomm. Plt. per $ of Revenue	$1.11	$1.07	$1.06	$1.05	$1.03	1.89%	3.74%

Notes: [1] Carolina Telephone and Telegraph Company elected price regulation in June 1996. Effective November 15, 2007, Carolina Telephone and Telegraph Company was converted into a North Carolina limited liability company named Carolina Telephone and Telegraph Company LLC. On October 15, 2009, Embarq Corporation filed a letter with the Commission indicating that the incumbent local exchange company, Carolina Telephone and Telegraph Company LLC is doing business under the name CenturyLink.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2009 - $66,467,000; 2008 - $16,173,000; 2007 - $28,543,000; 2006 - $29,368,000; and 2005 - $33,444,000.

CENTRAL TELEPHONE COMPANY, d/b/a
CENTURYLINK
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended December 2009 (b)	December 2008 (c)	December 2007 (d)	December 2006 (e)	December 2005 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	$69,535	$75,189	$79,008	$83,081	$88,473	-5.84%	-7.52%
3.	Network Access	38,780	45,175	45,829	52,643	54,503	-8.16%	-14.16%
4.	Long Distance Message	1,165	1,238	1,302	1,892	2,020	-12.85%	-5.90%
5.	Miscellaneous	42,582	43,026	41,075	32,741	31,132	8.14%	-1.03%
6.	Uncollectibles	(2,350)	(2,660)	(2,722)	(1,617)	(2,186)	1.83%	-11.65%
7.	Total Operating Revenue	149,712	161,968	164,492	168,740	173,942	-3.68%	-7.57%
8.	Operating Expenses	82,677	87,451	92,476	97,759	98,066	-4.18%	-5.46%
9.	Depreciation & Amortization	38,760	37,538	36,036	36,868	44,695	-3.50%	3.26%
10.	Total Operating Taxes	10,435	13,973	13,919	12,200	11,887	-3.20%	-25.32%
11.	Total Expenses, Depr. & Taxes	131,872	138,962	142,431	146,827	154,648	-3.90%	-5.10%
12.	Operating Income	$17,840	$23,006	$22,061	$21,913	$19,294	-1.94%	-22.46%
13.	Net Telecommunications Plant	$179,988	$198,568	$213,679	$226,163	$239,649	-6.91%	-9.36%
14.	Oper. Exp. as a % of Total Revenue	55.22%	53.99%	56.22%	57.93%	56.38%	-0.52%	2.28%
15.	Net Telecomm. Plt. per $ of Revenue	$1.20	$1.23	$1.30	$1.34	$1.38	-3.43%	-2.44%

Notes: [1] Central Telephone Company elected price regulation in June 1996. On October 15, 2009, Embarq Corporation filed a letter with the Commission indicating that the incumbent local exchange company, Central Telephone Company is doing business under the name CenturyLink.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2009 - $13,273,000; 2008 - $3,284,000; 2007 - $8,016,000; 2006 - $5,240,000; and 2005 - $5,060,000.

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

Line No.	Item (a)	12 Months Ended December 2009 (b)	December 2008 (c)	December 2007 (d)	December 2006 (e)	December 2005 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	$4,866	$5,119	$5,176	$5,329	$5,342	-2.31%	-4.94%
3.	Network Access	4,084	4,309	4,528	4,280	4,122	-0.23%	-5.22%
4.	Long Distance Message	739	863	476	1,345	1,175	-10.95%	-14.37%
5.	Miscellaneous	1,067	1,155	1,111	1,107	1,134	-1.51%	-7.62%
6.	Uncollectibles	(38)	(15)	(16)	(9)	(12)	33.40%	153.33%
7.	Total Operating Revenue	10,718	11,431	11,275	12,052	11,761	-2.29%	-6.24%
8.	Operating Expenses	6,437	6,489	6,557	6,267	5,920	2.12%	-0.80%
9.	Depreciation & Amortization	2,973	2,840	2,782	2,750	2,694	2.49%	4.68%
10.	Total Operating Taxes	755	815	943	1,083	1,196	-10.86%	-7.36%
11.	Total Expenses, Depr. & Taxes	10,165	10,144	10,282	10,100	9,810	0.89%	0.21%
12.	Operating Income	$553	$1,287	$993	$1,952	$1,951	-27.03%	-57.03%
13.	Net Plant Investment	$28,777	$28,387	$28,524	$28,508	$28,124	0.58%	1.37%
14.	Oper. Exp. as a % of Total Revenue	60.06%	56.77%	58.16%	52.00%	50.34%	4.51%	5.80%
15.	Net Plt. Investment per $ of Revenue	$2.68	$2.48	$2.53	$2.37	$2.39	2.90%	8.06%
16.	Total Access Lines (000s included):							
17.	Residential	14,379	15,512	16,160	16,506	16,670	-3.63%	-7.30%
18.	Business	4,220	4,425	4,534	4,488	4,454	-1.34%	-4.63%
19.	Total Access Lines	18,599	19,937	20,694	20,994	21,124	-3.13%	-6.71%
20.	Estimated Overall Rate of Return	2.20%	5.14%	3.97%	7.47%	7.64%	-26.75%	-57.20%
21.	Estimated Return on Common Equity	2.20%	5.14%	3.97%	6.93%	7.37%	-26.08%	-57.20%
22.	Common Equity Ratio	100.00%	100.00%	100.00%	83.36%	75.82%	7.17%	0.00%
23.	Debt Ratio	0.00%	0.00%	0.00%	16.64%	24.18%	N/A	N/A
24.	Estimated Pretax Interest Coverage Ratio (Times)	N/A	N/A	N/A	6.70	5.81	N/A	N/A

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

Notes:
[1] On December 1, 2008, the transfer of control of Citizens Telephone Company to Rock Hill Telephone Company, d/b/a Comporium Communications, approved by Order issued November 13, 2008, in Docket No. P-12, Sub 109, was consummated.
[2] On May 10, 2010, Citizens Telephone Company (Citizens), filed a Petition pursuant to G.S. 62-133.5(a), in Docket No. P-12, Sub 111, requesting approval of a proposed price regulation plan. On that same date, Citizens and the Public Staff filed a stipulation and agreement setting forth the terms and conditions of such proposed stipulated plan. A public hearing and an evidentiary hearing are scheduled to be held on July 28, 2010 in Brevard, North Carolina.
[3] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 64% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[4] Net Plant Investment reflects net plant in service.
[5] Source of Data: NCUC TS-1 Reports.
[6] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended December 2009 (b)	December 2008 (c)	December 2007 (d)	December 2006 (e)	December 2005 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	$4,182	$4,529	$4,790	$4,863	$4,918	-3.97%	-7.66%
3.	Network Access	7,758	7,319	6,933	6,480	5,014	11.53%	6.00%
4.	Long Distance Message	58	74	76	73	71	-4.93%	-21.62%
5.	Miscellaneous	1,429	1,861	1,676	1,663	1,611	-2.95%	-23.21%
6.	Uncollectibles	(130)	(58)	7	(4)	(176)	N/A	124.14%
7.	Total Operating Revenue	13,297	13,725	13,482	13,075	11,438	3.84%	-3.12%
8.	Operating Expenses	6,119	6,518	7,986	5,841	5,860	1.09%	-6.12%
9.	Depreciation & Amortization	3,599	3,613	3,650	3,031	2,436	10.25%	-0.39%
10.	Total Operating Taxes	1,421	1,410	845	2,354	1,314	1.98%	0.78%
11.	Total Expenses, Depr. & Taxes	11,139	11,541	12,481	11,226	9,610	3.76%	-3.48%
12.	Operating Income	$2,158	$2,184	$1,001	$1,849	$1,828	4.24%	-1.19%
13.	Net Telecommunications Plant	$15,389	$17,403	$19,380	$21,341	$22,393	-8.95%	-11.57%
14.	Oper. Exp. as a % of Total Revenue	46.02%	47.49%	59.23%	44.67%	51.23%	-2.65%	-3.10%
15.	Net Telecomm. Plt. per $ of Revenue	$1.16	$1.27	$1.44	$1.63	$1.96	-12.29%	-8.66%

Notes: [1] Mebtel Communications elected price regulation in September 1999. Effective April 30, 2007, CenturyTel, Inc. acquired all the stock of Madison River Communications Corporation, the ultimate parent of Mebtel, Inc. and its affiliates, which affected the indirect transfer of control of each of these entities, including Mebtel, Inc., d/b/a Mebtel Communications, to CenturyTel, Inc. On December 1, 2008, CenturyTel, Inc. filed a letter with the Commission indicating that the incumbent local exchange company, Mebtel, Inc. is doing business under the name CenturyTel. On October 19, 2009, CenturyLink filed a letter with the Commission stating that CenturyTel, Inc. and Embarq Corporation had completed their merger, consequently, the incumbent local exchange company, Mebtel, Inc. is now doing business under the name CenturyLink.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for North Carolina regulated operations only, including plant under construction as follows for the 12-month periods ending December 31st: 2009 - $757,341; 2008 - $797,686; 2007 - $821,831; 2006 - $536,834; and 2005 - $1,052,185.

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

NORTH STATE TELEPHONE COMPANY, d/b/a
NORTH STATE COMMUNICATIONS
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

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

Notes: [1] At this time, the most current information available for North State Communications is the 12 months ended December 31, 2008. North State Communications has requested and has been allowed an extension of time until August 31, 2010 to file its 2009 Annual Report.

[2] North State Communications elected price regulation in December 2002.

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

[4] Source of Data: Annual Reports.

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

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

Line No.	Item (a)	December 2009 (b)	December 2008 (c)	December 2007 (d)	December 2006 (e)	December 2005 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Basic Local Service	$92,207	$98,276	$107,049	$111,919	$118,145	-6.01%	-6.18%
3.	Network Access	101,691	102,239	104,293	105,858	112,867	-2.57%	-0.54%
4.	Long Distance Message	4,728	6,572	4,915	2,502	2,089	22.65%	-28.06%
5.	Miscellaneous	32,880	33,324	33,216	33,100	29,234	2.98%	-1.33%
6.	Uncollectibles	(2,420)	(2,634)	1,636	(3,600)	(4,405)	N/A	-8.12%
7.	Total Operating Revenue	229,086	237,777	251,109	249,779	257,930	-2.92%	-3.66%
8.	Operating Expenses	107,573	149,341	136,861	128,848	149,029	-7.83%	-27.97%
9.	Depreciation & Amortization	61,664	61,547	63,662	73,454	78,390	-5.82%	0.19%
10.	Total Operating Taxes	22,431	15,021	17,719	14,799	8,689	26.76%	49.33%
11.	Total Expenses, Depr. & Taxes	191,668	225,909	218,242	217,101	236,108	-5.08%	-15.16%
12.	Operating Income	$37,418	$11,868	$32,867	$32,678	$21,822	14.43%	215.28%
13.	Net Telecommunications Plant	$246,268	$298,761	$324,977	$335,075	$365,007	-9.37%	-17.57%
14.	Oper. Exp. as a % of Total Revenue	46.96%	62.81%	54.50%	51.58%	57.78%	-5.05%	-25.23%
15.	*Net Telecomm. Plt. per $ of Revenue*	*$1.08*	*$1.26*	*$1.29*	*$1.34*	*$1.42*	*-6.61%*	*-14.29%*

Notes: [1] Verizon South, Inc. elected price regulation in June 1996. On August 3, 2009, Verizon South Inc. notified the Commission that Frontier Communications Corporation (Frontier) and Verizon Communications Inc. (Verizon) have announced that Frontier is acquiring control of Verizon's local telephone operations in North Carolina and several other states through a parent company merger. Price-regulated incumbent local exchange companies are exempt from application of G.S. 62-111 by virtue of G.S. 62-133.5(g); consequently, such transaction is not subject to Commission review or approval. According to Verizon, once the transaction is completed the Company's name will change from Verizon South Inc. to Frontier Communications of the Carolinas.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2009 - $618,245; 2008 - $206,889; 2007 - $2,307,401; 2006 - $2,068,101; and 2005 - $1,426,199.

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

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

Line No.	Item (a)	December 2009 (b)	December 2008 (c)	December 2007 (d)	December 2006 (e)	December 2005 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Basic Local Service	$28,618	$30,623	$36,222	$51,502	$50,128	-13.08%	-6.55%
3.	Network Access	37,693	41,978	42,458	30,852	31,924	4.24%	-10.21%
4.	Long Distance Message	1,399	1,957	728	2,110	2,255	-11.25%	-28.51%
5.	Miscellaneous	15,947	12,649	11,392	12,781	11,246	9.12%	26.07%
6.	Uncollectibles	(1,286)	(399)	(252)	(313)	(285)	45.75%	222.31%
7.	Total Operating Revenue	82,371	86,808	90,548	96,932	95,268	-3.57%	-5.11%
8.	Operating Expenses	33,329	47,179	67,250	52,103	50,025	-9.65%	-29.36%
9.	Depreciation & Amortization	11,316	17,511	19,444	22,853	19,836	-13.09%	-35.38%
10.	Total Operating Taxes	9,134	6,301	198	7,894	7,933	3.59%	44.96%
11.	Total Expenses, Depr. & Taxes	53,779	70,991	86,892	82,850	77,794	-8.82%	-24.25%
12.	Operating Income	$28,592	$15,817	$3,656	$14,082	$17,474	13.10%	80.77%
13.	Net Telecommunications Plant	$51,638	$55,804	$69,459	$82,404	$80,438	-10.49%	-7.47%
14.	Oper. Exp. as a % of Total Revenue	40.46%	54.35%	74.27%	53.75%	52.51%	-6.31%	-25.56%
15.	Net Telecomm. Plt. per $ of Revenue	$0.63	$0.64	$0.77	$0.85	$0.84	-6.94%	-1.56%

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

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant in service for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: **2009** - $2,240,608; **2008** - $1,457,433; **2007** - $6,751,518; **2006** - $7,563,825; and **2005** - $3,926,131.

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

Line No.	Item (a)	12 Months Ended December 2009 (b)
1.	Operating Revenue:	
2.	Basic Local Service	$8,204
3.	Network Access	18,205
4.	Long Distance Message	104
5.	*Miscellaneous*	*3,700*
6.	Uncollectibles	(296)
7.	Total Operating Revenue	29,917
8.	Operating Expenses	14,566
9.	Depreciation & Amortization	4,411
10.	Total Operating Taxes	7,817
11.	Total Expenses, Depr. & Taxes	26,794
12.	Operating Income	$3,123
13.	Net Telecommunications Plant	$36,930
14.	*Oper. Exp. as a % of Total Revenue*	*48.69%*
15.	Net Telecomm. Plt. per $ of Revenue	$1.23

Notes: [1] LEXCOM Telephone Company elected price regulation in June 2009; consequently, comparisons to years prior to 2009 are not meaningful due to the significant differences in reporting requirements for price regulated telephone companies and rate of return regulated telephone companies. On February 4, 2010, LEXCOM Telephone Company filed with the Commission a copy of the Articles of Amendment that were filed with the North Carolina Secretary of State on December 7, 2009, that effected a name change to Windstream Lexcom Communications, Inc.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant at December 31, 2009, reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction of $349,748.

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

Line No.	Item (a)	December 2009 (b)	December 2008 (c)	December 2007 (d)	December 2006 (e)	December 2005 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	$56,857	$62,899	$66,926	$70,624	$73,646	-6.26%	-9.61%
3.	Network Access	46,684	56,596	62,849	65,326	64,125	-7.63%	-17.51%
4.	Long Distance Message	1,079	2,116	2,555	3,971	4,024	-28.04%	-49.01%
5.	Miscellaneous	22,980	15,971	18,013	18,373	15,993	9.49%	43.89%
6.	Uncollectibles	(1,466)	(1,415)	(1,029)	(547)	(1,135)	6.61%	3.60%
7.	Total Operating Revenue	126,134	136,167	149,314	157,747	156,653	-5.27%	-7.37%
8.	Operating Expenses	62,465	59,926	63,330	68,347	59,350	1.29%	4.24%
9.	Depreciation & Amortization	32,579	31,752	36,602	23,978	32,696	-0.09%	2.60%
10.	Total Operating Taxes	12,056	19,286	18,058	23,431	19,283	-11.08%	-37.49%
11.	Total Expenses, Depr. & Taxes	107,100	110,964	117,990	115,756	111,329	-0.96%	-3.48%
12.	Operating Income	$19,034	$25,203	$31,324	$41,991	$45,324	-19.50%	-24.48%
13.	Net Telecommunications Plant	$221,243	$234,089	$244,381	$253,564	$251,877	-3.19%	-5.49%
14.	Oper. Exp. as a % of Total Revenue	49.52%	44.01%	42.41%	43.33%	37.89%	6.92%	12.52%
15.	Net Telecomm. Plt. per $ of Revenue	$1.75	$1.72	$1.64	$1.61	$1.61	2.11%	1.74%

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

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: 2009 - $4,854,817; 2008 - $6,314,709; 2007 - $14,362,281; 2006 - $18,512,749; and 2005 - $13,189,584.

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