

# *"Quarterly Review"*

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## *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 of North Carolina*
- *GTE South, Inc.*
- *Lexington Telephone Company*
- *MEBTEL Communications*
- *North State Telephone Company*

■ *Quarter Ending December 31, 1995* ■

## *Table of Contents*

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<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 19 Selected Companies For The Twelve Months Ended December 31, 1995 — 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 Fortnightly</u> During The Period January 1995 Through May 1996</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*

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<i>Part</i>		<i>Page</i>
III	<i>Overviews of Selected Financial and Operational Data — continued:</i>	
	▣ <i>Telecommunications Companies — continued:</i>	
	▪ <i>Citizens Telephone Company</i>	25
	▪ <i>Concord Telephone Company</i>	26
	▪ <i>GTE of North Carolina</i>	27
	▪ <i>GTE South, Inc.</i>	28
	▪ <i>Lexington Telephone Company</i>	29
	▪ <i>MEBTEL Communications</i>	30
	▪ <i>North State Telephone Company</i>	31
IV	<i>Appendix A - Distribution List</i>	

# ***Part I***

## ***Introduction***

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

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The *Quarterly Review* has been designed and is structured so as to provide, in a clear and concise format, relevant and useful financial and operational information pertaining to 19 major investor-owned public utilities regulated by the North Carolina Utilities Commission (Commission): four electric companies, four natural gas local distribution companies, and 11 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.**

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## ***Part II***

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

- ▣ ***Summary Statement of Key Financial Ratios For 19 Selected Companies For The Twelve Months Ended December 31, 1995 — 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 Fortnightly During The Period January 1995 Through May 1996***

**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 December 31, 1995)

Line No.	Item (a)	Return on Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Pre-tax Interest Coverage Ratio (e)
<b><i>Electric Companies</i></b>					
1.	Carolina Power & Light Company	12.34%	9.71%	49.25%	4.13
2.	Duke Power Company	12.22%	9.93%	52.36%	4.01
3.	Nantahala Power and Light Company	7.34%	7.60%	62.50%	3.17
4.	North Carolina Power	10.46%	8.75%	45.24%	3.41
<b><i>Natural Gas Local Distribution Companies</i></b>					
5.	North Carolina Gas Service, Division of NUI	7.11%	7.32%	52.13%	2.57
6.	North Carolina Natural Gas Corporation	10.19%	9.40%	59.63%	4.03
7.	Piedmont Natural Gas Company, Inc.	11.26%	9.71%	51.11%	3.35
8.	Public Service Company of North Carolina, Inc.	12.82%	10.96%	53.94%	3.78
<b><i>Telecommunications Companies</i></b>					
9.	ALLTEL Carolina, Inc.	17.57%	13.78%	61.33%	6.42
10.	BellSouth Telecommunications, Inc.	16.94%	12.72%	58.65%	6.71
11.	Carolina Telephone and Telegraph Company	16.38%	13.07%	62.60%	6.93
12.	Central Telephone Company	15.10%	13.05%	65.95%	6.22
13.	Citizens Telephone Company	17.73%	12.73%	48.89%	4.23
14.	Concord Telephone Company	18.23%	16.49%	84.95%	34.01
15.	GTE of North Carolina	13.58%	11.35%	59.59%	5.63
16.	GTE South, Inc.	10.24%	9.35%	59.59%	4.07
17.	<i>GTE South, Inc. and GTE of North Carolina - aggregated</i>	11.25%	9.96%	59.59%	4.55
18.	Lexington Telephone Company	14.59%	13.38%	80.26%	13.04
19.	MEBTEL Communications	20.03%	12.01%	42.44%	3.67
20.	North State Telephone Company	18.51%	17.61%	92.50%	74.99

NOTES: [1] 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.

**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 December 31, 1995)

**NOTES - continued**

**NOTES:** [2] 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	BONDS RATED
		"AA" (b)	"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

[3] Selected financial market indicators from "Moody's Credit Perspectives", Volume 89, No. 23, June 3, 1996 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)		
		% (b)	% (c)	% (d)		
1.	May 30, 1996	5.05	6.78	6.93	5.39	7.89
2.	Month of April 1996	5.07	6.49	6.79	5.39	7.81
3.	Month of March 1996	4.97	6.25	6.60	5.31	7.65
4.	Past 12 Months:					
5.	Average	5.37	6.13	6.50	5.65	7.51
6.	Low	4.89	5.51	5.94	5.12	7.00
7.	High	5.90	6.85	7.16	6.11	8.05

**Part II**

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

Line No.	Rating (a)	5/30/96 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	Apr. 1996 (e)	Mar. 1996 (f)
1.	Aaa	7.72	8.12	6.82	7.60	7.45
2.	Aa	7.76	8.21	6.92	7.70	7.55
3.	A	7.96	8.31	7.14	7.89	7.73

**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 December 31, 1995)

**NOTES - continued**

**NOTES:** [3] Selected financial market indicators from "Moody's Credit Perspectives", Volume 89, No. 23, June 3, 1996 follow - continued:

**Part III**

**New offerings by public utilities - listing is all inclusive for week of June 3, 1996:**

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield		Rating (f)
				Current (d)	Maturity (e)	
1.	Savannah Electric & Power Co	\$20 Million	10 Years	6.90%	7.04%	A1
2.	Public Service Company of Colorado	\$125 Million	10 Years	7.13%	7.22%	Baa1

**Statement of Authorized Returns**  
**On Common Equity and Overall Rates of Return**  
**Granted By Various Public Utility Regulatory Agencies As Reported By**  
**Public Utilities Fortnightly During The Period January 1995 Through May 1996**

(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction-Service) (a)	Authorized Returns		Date Of	
		Common Equity (b)	Overall (c)	Order (d)	Public Utilities Fortnightly (e)
<b>Electric Companies</b>					
1.	Sierra Pacific Power Co. (NV) (E)	N/A	N/A	10/12/94	1/15/95
2.	Central Vermont Public Service Corp. (VT) (E)	10.00%	9.03%	10/31/94	2/01/95
3.	Potomac Edison Co. (VA) (E)	11.20%	9.51%	11/18/94	2/15/95
4.	Public Service Co. of New Mexico (NM) (E)	11.06%	N/A	11/28/94	2/15/95
5.	Wisconsin Public Service Corp. (WI) (E)	11.50%	10.91%	12/23/94	2/15/95
6.	Potomac Edison Co. (VA) (E)	11.20%	9.51%	11/18/94	3/01/95
7.	Commonwealth Edison Co. (IL) (E)	12.28%	9.87%	1/09/95	4/01/95
8.	Wisconsin Power & Light Co. (WI) (E)	11.50%	9.46%	12/08/94	4/15/95
9.	Madison Gas & Electric Co. (WI) (E)	11.70%	9.76%	12/08/94	4/15/95
10.	Gulf States Utilities Co. (LA) (E)	10.95%	N/A	12/29/94	5/01/95
11.	Idaho Power Co. (ID) (E)	11.00%	9.20%	1/31/95	5/01/95
12.	Potomac Edison Co. (WV) (E)	10.85%	N/A	3/17/95	5/01/95
13.	Monongahela Power Co. (WV) (E)	10.85%	N/A	3/17/95	5/01/95
14.	Hawaii Electric Light Co., Inc. (HI) (E)	12.60%	9.87%	2/10/95	5/15/95
15.	PSI Energy, Inc. (IN) (E)	11.90%	N/A	2/17/95	5/15/95
16.	Ohio Power Co. (OH) (E)	N/A	10.06%	3/23/95	5/15/95
<b>Natural Gas Local Distribution Companies</b>					
17.	Public Service Co. of North Carolina, Inc. (NC) (G)	11.87%	10.51%	10/07/94	1/01/95
18.	Nashville Gas Co. (TN) (G)	12.01%	10.22%	10/20/94	1/01/95
19.	Sierra Pacific Power Co. (NV) (G)	N/A	N/A	10/12/94	1/15/95
20.	Piedmont Natural Gas Co. (NC) (G)	N/A	10.15%	10/19/94	1/15/95
21.	Brooklyn Union Gas Co. (NY) (G)	11.00%	8.99%	10/28/94	1/15/95
22.	Consolidated Edison Co. of New York, Inc. (NY) (G)	10.90%	N/A	10/12/94	2/01/95
23.	East Ohio Gas Co. (OH) (G)	N/A	10.67%	11/03/94	2/01/95
24.	Nashville Gas Co. (TN) (G)	N/A	10.22%	10/20/94	3/01/95
25.	Columbia Gas of Kentucky, Inc. (KY) (G)	N/A	N/A	11/01/94	3/01/95
26.	United Cities Gas Co. (VA) (G)	11.20%	10.26%	11/18/94	3/01/95
27.	Montana-Dakota Utilities Co. (ND) (G)	N/A	N/A	11/09/94	3/15/95
28.	Northwestern Public Service Co. (SD) (G)	11.25%	9.09%	11/10/94	3/15/95

**Statement of Authorized Returns  
On Common Equity and Overall Rates of Return  
Granted By Various Public Utility Regulatory Agencies As Reported By  
Public Utilities Fortnightly During The Period January 1995 Through May 1996**

(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction-Service) (a)	Authorized Returns		Date Of	
		Common Equity (b)	Overall (c)	Order (d)	Public Utilities Fortnightly (e)
<b>Natural Gas Local Distribution Companies - continued</b>					
29.	Montana-Dakota Utilities Co. (SD) (G)	11.50%	10.15%	12/06/94	3/15/95
30.	United Cities Gas Co. (SC) (G)	11.75%	10.73%	1/10/95	3/15/95
31.	Washington Gas Light Co. (MD) (G)	11.50%	9.79%	10/18/94	4/01/95
32.	Columbia Gas of Maryland, Inc. (MD) (G)	1.00%	8.96%	10/31/94	4/01/95
33.	Central Illinois Light Co. (IL) (G)	11.82%	9.24%	2/12/94	4/01/95
34.	Wisconsin Power & Light Co. (WI) (G)	11.50%	9.46%	12/08/94	4/15/95
35.	Madison Gas & Electric Co. (WI) (G)	11.70%	9.76%	12/08/94	4/15/95
36.	Arkansas Louisiana Gas Co. (AR) (G)	N/A	N/A	3/15/95	5/15/95
<b>Telecommunications Companies</b>					
37.	Illinois Bell Telephone Co. (IL) (T)	11.36%	9.64%	10/11/94	1/01/95
<b>Water Companies</b>					
38.	Sierra Pacific Power Co. (NV) (W)	N/A	N/A	10/12/94	1/15/95
39.	New Jersey-American Water Co. (NJ) (W)	11.50%	9.41%	11/21/94	2/15/95
40.	Lincoln Water Co. (IL) (W)	11.90%	10.45%	1/05/95	4/01/95

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***
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- ***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	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,066,125	\$1,982,193	\$1,980,129	\$1,871,031	\$1,840,585	2.93%	4.23%
2.	Operating Expenses:							
3.	Fuel	351,648	329,930	353,363	302,264	309,653	3.23%	6.58%
4.	Purchased Power	267,242	263,345	235,359	221,344	187,787	9.22%	1.48%
5.	Maintenance	136,355	141,959	162,300	173,380	126,775	1.84%	-3.95%
6.	Other Operating Expenses	<u>389,802</u>	<u>372,454</u>	<u>344,032</u>	<u>299,348</u>	<u>307,228</u>	6.13%	4.66%
7.	Total Operating Expenses	1,145,047	1,107,688	1,095,054	996,336	931,443	5.30%	3.37%
8.	Depreciation & Amortization	<u>271,863</u>	<u>289,602</u>	<u>294,320</u>	<u>279,035</u>	<u>292,869</u>	-1.84%	-6.13%
9.	Total Expenses & Depreciation	1,416,910	1,397,290	1,389,374	1,275,371	1,224,312	3.72%	1.40%
10.	Total Operating Taxes	<u>291,909</u>	<u>248,167</u>	<u>243,339</u>	<u>246,582</u>	<u>234,900</u>	5.58%	17.63%
11.	Total Expenses, Depr. & Taxes	1,708,819	1,645,457	1,632,713	1,521,953	1,459,212	4.03%	3.85%
12.	Operating Income	<u>\$357,306</u>	<u>\$336,736</u>	<u>\$347,416</u>	<u>\$349,078</u>	<u>\$381,373</u>	-1.62%	6.11%
13.	Net Plant Investment	<u>\$4,313,433</u>	<u>\$4,273,209</u>	<u>\$4,187,269</u>	<u>\$4,215,055</u>	<u>\$4,244,377</u>	0.40%	0.94%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	55.42%	55.88%	55.30%	53.25%	50.61%	2.30%	-0.82%
15.	Net Plt. Investment per \$ of Revenue	\$2.09	\$2.16	\$2.11	\$2.25	\$2.31	-2.47%	-3.24%
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16.	Number of Customers Served:							
17.	Residential	795	771	751	736	717	0.23%	3.11%
18.	Commercial	133	130	126	122	120	2.60%	2.31%
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>934</u>	<u>907</u>	<u>883</u>	<u>864</u>	<u>843</u>	2.60%	2.98%
22.	Annual Sales Volume (Millions kWh)							
23.	Residential	10,092	9,549	9,657	8,863	8,721	3.72%	5.69%
24.	Commercial	7,787	7,387	7,263	6,833	6,689	3.87%	5.41%
25.	Industrial	10,961	10,870	10,376	10,052	9,607	3.35%	0.84%
26.	Other	<u>3,614</u>	<u>1,677</u>	<u>1,353</u>	<u>1,281</u>	<u>1,392</u>	26.94%	115.50%
27.	Total Sales	<u>32,454</u>	<u>29,483</u>	<u>28,649</u>	<u>27,029</u>	<u>26,409</u>	5.29%	10.08%
<hr/>								
28.	Estimated Overall Rate of Return	9.71%	<i>9.47%</i>	<i>9.65%</i>	<i>9.53%</i>	<i>10.21%</i>	-1.25%	2.53%
29.	Estimated Return on Common Equity	12.34%	<i>12.02%</i>	<i>12.18%</i>	<i>11.62%</i>	<i>12.69%</i>	-0.70%	2.66%
30.	Common Equity Ratio	49.25%	<i>49.37%</i>	<i>48.12%</i>	<i>48.17%</i>	<i>44.68%</i>	2.48%	-0.24%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.13	<i>3.80</i>	<i>3.65</i>	<i>3.36</i>	<i>3.38</i>	5.14%	5.90%
<hr/>								
32.	LAST RATE CASE	Authorized Return on Common Equity: 12.75%		Equity Ratio: 44.00%		Date of Order: 8-5-88		

Notes: [1] North Carolina retail jurisdictional revenue equates to 69% 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 (c) - (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	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,782,170	\$2,665,261	\$2,685,157	\$2,524,648	\$2,376,347	4.02%	4.39%
2.	Operating Expenses:							
3.	Fuel	459,918	424,561	434,631	391,032	391,252	4.13%	8.33%
4.	Purchased Power	282,747	307,676	309,706	307,134	301,507	-1.59%	-8.10%
5.	Maintenance	275,919	281,368	245,637	261,909	228,232	4.86%	-1.94%
6.	Other Operating Expenses	535,711	512,874	460,174	414,630	401,201	7.50%	4.45%
7.	Total Operating Expenses	1,554,295	1,526,479	1,450,148	1,374,705	1,322,192	4.13%	1.82%
8.	Depreciation & Amortization	296,772	297,562	323,574	325,366	282,903	1.20%	-0.27%
9.	Total Expenses & Depreciation	1,851,067	1,824,041	1,773,722	1,700,071	1,605,095	3.63%	1.48%
10.	Total Operating Taxes	426,952	387,537	412,252	356,772	330,402	6.62%	10.17%
11.	Total Expenses, Depr. & Taxes	2,278,019	2,211,578	2,185,974	2,056,843	1,935,497	4.16%	3.00%
12.	Operating Income	\$504,151	\$453,683	\$499,183	\$467,805	\$440,850	3.41%	11.12%
13.	Net Plant Investment	\$6,051,223	\$5,871,030	\$5,742,564	\$5,682,489	\$5,524,146	2.30%	3.07%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	55.87%	57.27%	54.01%	54.45%	55.64%	0.10%	-2.44%
15.	Net Plt. Investment per \$ of Revenue	\$2.18	\$2.20	\$2.14	\$2.25	\$2.32	-1.54%	-0.91%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	1,157	1,130	1,104	1,089	1,070	1.97%	2.39%
18.	Commercial	182	176	170	167	168	2.02%	3.41%
19.	Industrial	7	7	7	7	7	0.00%	0.00%
20.	Other	6	6	6	6	6	0.00%	0.00%
21.	Total Number of Customers	1,352	1,319	1,287	1,269	1,251	1.96%	2.50%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	14,812	14,243	14,624	13,360	13,470	2.40%	3.99%
24.	Commercial	14,261	13,623	13,286	12,432	12,225	3.93%	4.68%
25.	Industrial	17,520	17,310	16,642	15,874	15,495	3.12%	1.21%
26.	Other	197	191	186	180	171	3.60%	3.14%
27.	Total Sales	46,790	45,367	44,738	41,846	41,361	3.13%	3.14%
<hr/>								
28.	Estimated Overall Rate of Return	9.93%	<i>9.19%</i>	<i>10.14%</i>	<i>9.64%</i>	<i>9.93%</i>	0.00%	8.05%
29.	Estimated Return on Common Equity	12.22%	<i>10.99%</i>	<i>12.70%</i>	<i>11.29%</i>	<i>11.57%</i>	1.38%	11.19%
30.	Common Equity Ratio	52.36%	<i>51.78%</i>	<i>50.90%</i>	<i>50.48%</i>	<i>50.02%</i>	1.15%	1.12%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.01	<i>4.60</i>	<i>4.92</i>	<i>4.25</i>	<i>4.07</i>	-0.37%	-12.83%
<hr/>								
32.	LAST RATE CASE	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 64% 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 (c) - (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$59,432	\$65,199	\$63,751	\$57,210	\$43,276	8.25%	-8.85%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	4,389	9,457	11,638	(257)	(4,250)	N/A	-53.59%
4.	Purchased Power - Regular	24,607	23,187	22,746	31,627	24,850	-0.25%	6.12%
5.	Maintenance	4,654	4,297	5,285	4,600	3,936	4.28%	8.31%
6.	Other Operating Expenses	<u>7,888</u>	<u>8,169</u>	<u>7,860</u>	<u>6,786</u>	<u>6,737</u>	4.02%	-3.44%
7.	Total Operating Expenses	41,538	45,110	47,529	42,756	31,273	7.35%	-7.92%
8.	Depreciation & Amortization	4,754	4,404	4,133	4,501	4,060	4.02%	7.95%
9.	Total Expenses & Depreciation	46,292	49,514	51,662	47,257	35,333	6.99%	-6.51%
10.	Total Operating Taxes	6,149	7,608	6,070	5,286	4,410	8.67%	-19.18%
11.	Total Expenses, Depr. & Taxes	<u>52,441</u>	<u>57,122</u>	<u>57,732</u>	<u>52,543</u>	<u>39,743</u>	7.18%	-8.19%
12.	Operating Income	<u>\$6,991</u>	<u>\$8,077</u>	<u>\$6,019</u>	<u>\$4,667</u>	<u>\$3,533</u>	18.60%	-13.45%
13.	Net Plant Investment	<u>\$107,680</u>	<u>\$80,040</u>	<u>\$68,826</u>	<u>\$64,514</u>	<u>\$54,258</u>	18.69%	34.53%
14.	Oper. Exp. as a % of Total Revenue	69.89%	69.19%	74.55%	74.74%	72.26%	-0.83%	1.01%
15.	Net Plt. Investment per \$ of Revenue	\$1.81	\$1.23	\$1.08	\$1.13	\$1.25	9.70%	47.15%
16.	Number of Customers Served:							
17.	Residential	48	47	46	45	44	2.20%	2.13%
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	54	53	52	51	50	1.94%	1.89%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	455	436	431	415	392	3.80%	4.36%
24.	Commercial	301	288	263	248	241	5.72%	4.51%
25.	Industrial	111	107	119	118	111	0.00%	3.74%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	<u>869</u>	<u>833</u>	<u>815</u>	<u>783</u>	<u>746</u>	3.89%	4.32%
28.	Estimated Overall Rate of Return	7.60%	11.10%	9.43%	8.72%	7.59%	0.03%	-31.53%
29.	Estimated Return on Common Equity	7.34%	13.14%	10.49%	8.69%	6.91%	1.21%	-44.14%
30.	Common Equity Ratio	62.50%	60.13%	57.26%	73.97%	74.83%	-4.40%	3.94%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.17	5.10	3.89	5.48	4.41	-7.92%	-37.84%
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 (c) - (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	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Growth Year (g)	Rate Current Year (h)
1.	Operating Revenue	\$201,183	\$189,123	\$189,205	\$173,916	\$157,143	6.37%	6.38%
2.	Operating Expenses:							
3.	Fuel	26,579	24,994	27,181	28,009	22,875	3.82%	6.34%
4.	Purchased Power	46,737	43,339	40,452	33,866	23,601	18.63%	7.84%
5.	Maintenance	13,172	12,871	13,638	13,314	14,320	-2.07%	2.34%
6.	Other Operating Expenses	<u>30,714</u>	<u>27,860</u>	<u>26,170</u>	<u>24,020</u>	<u>24,238</u>	<u>6.10%</u>	<u>10.24%</u>
7.	Total Operating Expenses	117,202	109,064	107,441	99,209	85,034	8.35%	7.46%
8.	Depreciation & Amortization	23,322	21,821	22,662	22,071	21,023	2.63%	6.88%
9.	Total Expenses & Depreciation	140,524	130,885	130,103	121,280	106,057	7.29%	7.36%
10.	Total Operating Taxes	26,066	25,220	25,728	22,309	18,251	9.32%	3.35%
11.	Total Expenses, Depr. & Taxes	166,590	156,105	155,831	143,589	124,308	7.59%	6.72%
12.	Operating Income	<u>\$34,593</u>	<u>\$33,018</u>	<u>\$33,374</u>	<u>\$30,327</u>	<u>\$32,835</u>	<u>1.31%</u>	<u>4.77%</u>
13.	Net Plant Investment	<u>\$430,985</u>	<u>\$422,219</u>	<u>\$414,394</u>	<u>\$404,848</u>	<u>\$385,476</u>	<u>2.83%</u>	<u>2.08%</u>
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14.	Oper. Exp. as a % of Total Revenue	58.26%	57.67%	56.79%	57.04%	54.11%	1.86%	1.02%
15.	Net Plt. Investment per \$ of Revenue	\$2.14	\$2.23	\$2.19	\$2.33	\$2.45	-3.33%	-4.04%
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16.	Number of Customers Served:							
17.	Residential	85	84	82	81	79	1.85%	1.19%
18.	Commercial	13	13	12	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>100</u>	<u>99</u>	<u>96</u>	<u>95</u>	<u>93</u>	<u>1.83%</u>	<u>1.01%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,077	1,014	1,006	939	930	3.74%	6.21%
24.	Commercial	625	594	590	570	553	3.11%	5.22%
25.	Industrial	1,185	1,120	1,019	1,029	950	5.68%	5.80%
26.	Other	117	112	109	97	97	4.80%	4.46%
27.	Total Sales	<u>3,004</u>	<u>2,840</u>	<u>2,724</u>	<u>2,635</u>	<u>2,530</u>	<u>4.39%</u>	<u>5.77%</u>
<hr/>								
28.	Estimated Overall Rate of Return	8.75%	<i>8.67%</i>	<i>8.79%</i>	<i>8.31%</i>	<i>9.27%</i>	-1.43%	0.92%
29.	Estimated Return on Common Equity	10.46%	<i>10.51%</i>	<i>10.63%</i>	<i>9.42%</i>	<i>10.65%</i>	-0.45%	-0.48%
30.	Common Equity Ratio	45.24%	<i>45.23%</i>	<i>44.37%</i>	<i>43.96%</i>	<i>42.80%</i>	1.51%	0.02%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.41	2.75	3.36	3.09	2.73	5.72%	24.00%
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32.	LAST RATE CASE	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 (c) - (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**  
(In Thousands Except Number of Customers)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	N/A	\$5,483	\$4,957	\$4,740	\$3,906	N/A	N/A
3.	Commercial	N/A	2,982	2,786	2,728	1,942	N/A	N/A
4.	Industrial	N/A	6,864	6,480	6,463	5,059	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	324	859	319	852	N/A	N/A
8.	Total Operating Revenue	14,955	15,653	15,082	14,250	11,759	6.19%	-4.46%
9.	Cost of Gas	8,618	9,723	9,693	9,496	7,949	2.04%	-11.36%
10.	Margin	6,337	5,930	5,389	4,754	3,810	13.56%	6.86%
11.	O & M Expenses	3,833	3,660	3,303	2,928	2,733	8.82%	4.73%
12.	Other Deductions	1,863	1,531	1,762	1,120	802	23.46%	21.69%
13.	Operating Income	\$641	\$739	\$324	\$706	\$275	23.56%	-13.26%
14.	Net Plant Investment	\$11,075	\$11,874	\$10,269	\$9,745	\$9,016	5.28%	-6.73%
15.	Oper. Exp. as a % of Total Revenue	83.26%	85.50%	86.17%	87.19%	90.84%	-2.15%	-2.62%
16.	Net Plt. Investment per \$ of Revenue	\$0.74	\$0.76	\$0.68	\$0.68	\$0.77	-0.99%	-2.63%
17.	Gas Delivered in DTs:							
18.	Residential	824	824	843	782	678	5.00%	0.00%
19.	Commercial	542	545	577	558	401	7.82%	-0.55%
20.	Industrial	1,641	2,016	2,033	1,973	1,654	-0.20%	-18.60%
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	1,028	389	48	123	159	59.46%	164.27%
24.	Total DTs	4,035	3,774	3,501	3,436	2,892	8.68%	6.92%
25.	Number of Customers:							
26.	Residential	10,900	10,831	10,348	10,054	9,737	2.86%	0.64%
27.	Commercial	1,543	1,723	1,670	1,685	1,651	-1.68%	-10.45%
28.	Industrial	27	26	26	25	25	1.94%	3.85%
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	179	3	0	1	0	N/A	N/A
32.	Total Number of Customers	12,649	12,583	12,044	11,765	11,413	2.60%	0.52%
33.	Estimated Overall Rate of Return	7.32%	1.70%	8.35%	3.63%	5.45%	7.65%	330.59%
34.	Estimated Return on Common Equity	7.11%	-5.23%	5.90%	7.09%	-3.77%	N/A	-235.95%
35.	Common Equity Ratio	52.13%	53.21%	54.16%	55.80%	52.01%	0.06%	-2.03%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.57	1.59	4.23	1.74	0.41	58.23%	61.64%
37.	LAST RATE CASE	Authorized Return on Common Equity: 11.40%    Equity Ratio: 47.57%    Date of Order: 9-20-95						

- Notes [1] North Carolina retail jurisdictional revenue equates to 58% 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 (c) - (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] Calculations based on limited information provided by the Company due to ongoing reorganization of operations.

**NORTH CAROLINA NATURAL GAS CORPORATION**  
**SELECTED FINANCIAL AND OPERATIONAL DATA**  
North Carolina Retail Jurisdiction  
(In Thousands Except Number of Customers)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1995	December 1994	December 1993	December 1992	December 1991	Four Year	Current Year
		(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Residential	\$33,252	\$35,026	\$34,769	\$27,062	\$22,148	10.69%	-5.06%
3.	Commercial	21,115	22,800	22,904	17,645	16,168	6.90%	-7.39%
4.	Industrial	63,632	62,251	77,257	77,607	53,505	4.43%	2.22%
5.	Public Authorities	1,710	1,854	2,308	2,016	3,545	-16.66%	-7.77%
6.	Resale	23,189	19,217	18,375	22,151	11,682	18.70%	20.67%
7.	Other	15,167	11,521	8,219	18,159	20,591	-7.36%	31.65%
8.	Total Operating Revenue	<u>158,065</u>	<u>152,669</u>	<u>163,832</u>	<u>164,640</u>	<u>127,639</u>	<u>5.49%</u>	<u>3.53%</u>
9.	Cost of Gas	<u>98,064</u>	<u>98,273</u>	<u>108,865</u>	<u>112,721</u>	<u>83,968</u>	<u>3.96%</u>	<u>-0.21%</u>
10.	Margin	60,001	54,396	54,967	51,919	43,671	8.27%	10.30%
11.	O & M Expenses	21,181	19,508	18,677	18,132	16,268	6.82%	8.58%
12.	Other Deductions	<u>22,720</u>	<u>20,827</u>	<u>20,859</u>	<u>19,210</u>	<u>15,468</u>	<u>10.09%</u>	<u>9.09%</u>
13.	Operating Income	<u>\$16,100</u>	<u>\$14,061</u>	<u>\$15,431</u>	<u>\$14,577</u>	<u>\$11,935</u>	<u>7.77%</u>	<u>14.50%</u>
14.	Net Plant Investment	<u>\$177,243</u>	<u>\$164,343</u>	<u>\$151,525</u>	<u>\$143,775</u>	<u>\$127,714</u>	<u>8.54%</u>	<u>7.85%</u>
15.	Oper. Exp. as a % of Total Revenue	75.44%	77.15%	77.85%	79.48%	78.53%	-1.00%	-2.22%
16.	Net Plt. Investment per \$ of Revenue	\$1.12	\$1.08	\$0.92	\$0.87	\$1.00	2.87%	3.70%
17.	Gas Delivered in DTs:							
18.	Residential	5,580	5,347	5,318	4,826	3,983	8.79%	4.36%
19.	Commercial	4,788	4,494	4,388	4,093	3,632	7.15%	6.54%
20.	Industrial	19,981	17,795	20,485	24,769	17,357	3.58%	12.28%
21.	Public Authorities	380	368	441	454	814	-17.34%	3.26%
22.	Resale	6,956	4,392	4,213	6,709	3,843	15.99%	58.38%
23.	Other	15,447	14,624	12,616	5,435	12,973	4.46%	5.63%
24.	Total DTs	<u>53,132</u>	<u>47,020</u>	<u>47,461</u>	<u>46,286</u>	<u>42,602</u>	<u>5.68%</u>	<u>13.00%</u>
25.	Number of Customers:							
26.	Residential	87,819	83,264	78,968	74,063	68,605	6.37%	5.47%
27.	Commercial	12,138	11,515	11,134	10,794	10,435	3.85%	5.41%
28.	Industrial	450	438	425	435	419	1.80%	2.74%
29.	Public Authorities	4,785	5,378	5,430	5,530	6,043	-5.67%	-11.03%
30.	Resale	40,408	37,654	35,320	32,688	30,790	7.03%	7.31%
31.	Other	9	27	26	5	11	-4.89%	-66.67%
32.	Total Number of Customers	<u>145,609</u>	<u>138,276</u>	<u>131,303</u>	<u>123,515</u>	<u>116,303</u>	<u>5.78%</u>	<u>5.30%</u>
33.	Estimated Overall Rate of Return	9.40%	8.02%	9.54%	9.59%	8.93%	1.29%	17.21%
34.	Estimated Return on Common Equity	10.19%	12.57%	16.07%	18.13%	14.74%	-8.82%	-18.93%
35.	Common Equity Ratio	59.63%	70.44%	68.09%	56.90%	52.49%	3.24%	-15.35%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.03	4.44	4.77	3.83	3.09	6.87%	-9.23%
37.	LAST RATE CASE	Authorized Return on Common Equity: N/A			Equity Ratio: N/A		Date of Order 10-27-95	

Notes: [1] Rates are set on a total company basis.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Columns (c) - (f)] which is from past Commission Surveillance Reports.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**SELECTED FINANCIAL AND OPERATIONAL DATA**  
**North Carolina Retail Jurisdiction**  
(In Thousands Except Number of Customers)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1995	December 1994	December 1993	December 1992	December 1991	Four Year	Current Year
		(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Residential	\$137,432	\$139,294	\$133,948	\$110,984	\$94,304	9.87%	-1.34%
3.	Commercial	73,036	84,338	85,648	68,187	60,982	4.61%	-13.40%
4.	Industrial	53,416	75,674	101,236	76,746	65,467	-4.96%	-29.41%
5.	Public Authorities	2,408	3,007	2,979	2,845	2,761	-3.36%	-19.92%
6.	Resale	2,597	1,372	0	0	0	N/A	89.29%
7.	Other	25,931	16,477	6,693	8,399	10,002	26.89%	57.38%
8.	Total Operating Revenue	294,820	329,162	330,504	267,161	233,516	6.00%	-7.92%
9.	Cost of Gas	142,709	182,211	203,005	150,182	130,908	2.18%	-21.68%
10.	Margin	152,111	137,951	127,499	116,979	102,608	10.34%	10.26%
11.	O & M Expenses	64,666	62,341	58,696	53,844	48,559	7.42%	3.73%
12.	Other Deductions	48,763	41,813	38,433	34,231	28,777	14.09%	16.34%
13.	Operating Income	\$38,682	\$33,697	\$30,370	\$28,904	\$25,272	11.23%	14.79%
14.	Net Plant Investment	\$431,771	\$408,333	\$355,846	\$324,033	\$294,912	10.00%	5.74%
15.	Oper. Exp. as a % of Total Revenue	70.34%	76.38%	79.18%	76.37%	76.85%	-2.19%	-7.91%
16.	Net Plt. Investment per \$ of Revenue	\$1.46	\$1.28	\$1.08	\$1.21	\$1.26	3.75%	14.06%
17.	Gas Delivered in DTs:							
18.	Residential	21,291	20,454	20,353	18,269	15,913	7.55%	4.09%
19.	Commercial	13,644	14,811	15,664	14,097	13,062	1.10%	-7.88%
20.	Industrial	15,542	20,022	26,490	22,741	19,977	-6.08%	-22.38%
21.	Public Authorities	480	531	543	575	574	-4.37%	-9.60%
22.	Resale	1,170	617	0	0	0	N/A	89.63%
23.	Other	23,901	14,141	5,605	9,656	10,462	22.94%	69.02%
24.	Total DTs	76,028	70,576	68,655	65,338	59,988	6.10%	7.73%
25.	Number of Customers:							
26.	Residential	277,935	263,993	248,899	234,940	220,671	5.94%	5.28%
27.	Commercial	34,568	33,195	32,500	31,354	30,136	3.49%	4.14%
28.	Industrial	2,025	2,069	1,432	1,418	1,376	10.14%	-2.13%
29.	Public Authorities	5,945	6,284	6,559	6,685	7,143	-4.49%	-5.39%
30.	Resale	1	2	0	0	0	N/A	-50.00%
31.	Other	61	146	0	6	0	N/A	-58.22%
32.	Total Number of Customers	320,535	305,689	289,390	274,403	259,326	5.44%	4.86%
33.	Estimated Overall Rate of Return	9.71%	7.76%	7.99%	8.36%	8.11%	4.60%	25.13%
34.	Estimated Return on Common Equity	11.26%	12.30%	12.48%	12.90%	11.84%	-1.25%	-8.46%
35.	Common Equity Ratio	51.11%	49.79%	51.30%	54.13%	52.74%	-0.78%	2.65%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.35	3.17	3.31	3.35	2.72	5.35%	5.68%
37.	LAST RATE CASE	Authorized Return on Common Equity: N/A			Equity Ratio: N/A	Date of Order 2-10-95		

Notes: [1] North Carolina retail jurisdictional revenue equates to 57% of total company gas utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: Shareholders' reports and the NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Columns (c) - (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  
(In Thousands Except Number of Customers)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$139,999	\$138,518	\$128,331	\$113,751	\$93,648	10.57%	1.07%
3.	Commercial	67,447	70,792	66,845	58,155	45,644	10.25%	-4.73%
4.	Industrial	23,762	25,966	52,988	58,788	51,020	-17.39%	-8.49%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	2,975	14,721	16,369	12,669	11,205	-28.22%	-79.79%
7.	Other	21,797	19,101	9,921	5,779	7,882	28.96%	14.11%
8.	Total Operating Revenue	255,980	269,098	274,454	249,142	209,399	5.15%	-4.87%
9.	Cost of Gas	121,735	147,531	161,898	138,237	111,483	2.22%	-17.49%
10.	Margin	134,245	121,567	112,556	110,905	97,916	8.21%	10.43%
11.	O & M Expenses	53,406	48,750	48,165	45,036	38,764	8.34%	9.55%
12.	Other Deductions	46,244	42,172	36,095	35,863	31,708	9.89%	9.66%
13.	Operating Income	\$34,595	\$30,645	\$28,296	\$30,006	\$27,444	5.96%	12.89%
14.	Net Plant Investment	\$390,705	\$356,905	\$335,866	\$311,553	\$292,872	7.47%	9.47%
15.	Oper. Exp. as a % of Total Revenue	68.42%	72.94%	76.54%	73.56%	71.75%	-1.18%	-6.20%
16.	Net Plt. Investment per \$ Revenue	\$1.53	\$1.33	\$1.22	\$1.25	\$1.40	2.24%	15.04%
17.	Gas Delivered in DTs:							
18.	Residential	19,101	18,281	17,922	16,719	14,601	6.95%	4.49%
19.	Commercial	12,674	12,154	11,944	11,313	9,359	7.88%	4.28%
20.	Industrial	6,511	5,922	13,408	17,464	15,326	-19.27%	9.95%
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	22,906	21,905	13,979	10,100	12,899	15.44%	4.57%
24.	Total DTs	61,192	58,262	57,253	55,596	52,185	4.06%	5.03%
25.	Number of Customers:							
26.	Residential	261,706	249,193	237,846	227,566	217,509	4.73%	5.02%
27.	Commercial	31,471	29,451	27,978	26,952	26,094	4.80%	6.86%
28.	Industrial	139	130	116	108	106	7.01%	6.92%
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	305	436	383	264	267	3.38%	-30.05%
32.	Total Number of Customers	293,621	279,210	266,323	254,890	243,976	4.74%	5.16%
33.	Estimated Overall Rate of Return	10.96%	8.16%	7.98%	9.16%	8.94%	5.22%	34.31%
34.	Estimated Return on Common Equity	12.82%	14.81%	12.05%	14.24%	12.88%	-0.08%	-13.44%
35.	Common Equity Ratio	53.94%	58.10%	49.49%	46.46%	49.58%	2.14%	-7.16%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.78	3.54	2.58	2.93	2.61	9.70%	6.78%
37.	LAST RATE CASE	Authorized Return on Common Equity: 11.87% Equity Ratio: 50.00%					Date of Order: 1-26-95	

Notes. [1] Rates are set on a total company basis.

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

[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Columns (c) - (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 AND OPERATIONAL DATA**  
**North Carolina Intrastate Operations**  
**(Amounts in Thousands)**

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$42,419	\$35,737	\$33,232	\$32,121	\$30,669	8.45%	18.70%
3.	Network Access	20,771	16,440	13,387	10,205	9,072	23.01%	26.34%
4.	Long Distance Message	15,637	11,187	9,667	8,993	10,460	10.57%	39.78%
5.	Miscellaneous	5,157	3,335	3,069	2,829	2,531	19.47%	54.63%
6.	Uncollectibles	(1,612)	(865)	(476)	(158)	(244)	60.32%	86.36%
7.	Total Operating Revenue	<u>82,372</u>	<u>65,834</u>	<u>58,879</u>	<u>53,990</u>	<u>52,488</u>	<u>11.93%</u>	<u>25.12%</u>
8.	Operating Expenses	36,985	28,560	24,632	23,035	21,346	14.73%	29.50%
9.	Depreciation & Amortization	16,360	11,852	11,173	10,493	12,364	7.25%	38.04%
10.	Total Operating Taxes	<u>11,442</u>	<u>9,886</u>	<u>9,168</u>	<u>7,795</u>	<u>6,563</u>	<u>14.91%</u>	<u>15.74%</u>
11.	Total Expenses, Depr. & Taxes	<u>64,787</u>	<u>50,298</u>	<u>44,973</u>	<u>41,323</u>	<u>40,273</u>	<u>12.62%</u>	<u>28.81%</u>
12.	Other Operating (Income) & Expense	(187)	0	0	0	0	N/A	N/A
13.	Operating Income	<u>\$17,772</u>	<u>\$15,536</u>	<u>\$13,906</u>	<u>\$12,667</u>	<u>\$12,215</u>	<u>9.83%</u>	<u>14.39%</u>
14.	Net Plant Investment	<u>\$133,271</u>	<u>\$110,197</u>	<u>\$105,079</u>	<u>\$104,105</u>	<u>\$97,947</u>	<u>8.00%</u>	<u>20.94%</u>
15.	Oper. Exp. as a % of Total Revenue	44.90%	43.38%	41.83%	42.67%	40.67%	2.50%	3.50%
16.	Net Plt. Investment per \$ of Revenue	\$1.62	\$1.67	\$1.78	\$1.93	\$1.87	-3.52%	-2.99%
17.	Local Access Lines:							
18.	Residential	130	99	93	88	85	11.21%	31.31%
19.	Business	36	24	21	19	18	18.92%	50.00%
20.	Total Local Access Lines	<u>166</u>	<u>123</u>	<u>114</u>	<u>107</u>	<u>103</u>	<u>12.67%</u>	<u>34.96%</u>
21.	Total Access Lines:							
22.	Residential	130	99	93	88	85	11.21%	31.31%
23.	Business	<u>37</u>	24	21	20	18	<u>19.74%</u>	<u>54.17%</u>
24.	Total Access Lines	<u>167</u>	<u>123</u>	<u>114</u>	<u>108</u>	<u>103</u>	<u>12.84%</u>	<u>35.77%</u>
25.	Estimated Overall Rate of Return	13.78%	<b>14.42%</b>	<b>14.82%</b>	<b>13.78%</b>	<b>13.93%</b>	-0.27%	-4.44%
26.	Estimated Return on Common Equity	17.57%	<b>20.20%</b>	<b>17.95%</b>	<b>16.95%</b>	<b>19.66%</b>	-2.77%	-13.02%
27.	Common Equity Ratio	61.33%	<b>62.33%</b>	<b>66.83%</b>	<b>64.92%</b>	<b>65.16%</b>	2.69%	-1.60%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.42	<b>9.19</b>	<b>8.69</b>	<b>7.24</b>	<b>6.65</b>	3.25%	-30.14%
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 80% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 25 - 28, Columns (c) - (f)] which is from past Commission Surveillance Reports.  
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate		
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)	
1.	Operating Revenue:								
2.	Basic Local Service	\$689,370	\$638,507	\$599,078	\$555,607	\$519,896	7.31%	7.97%	
3.	Network Access	161,256	166,347	147,466	136,356	136,804	4.20%	-3.06%	
4.	Long Distance Message	106,379	125,626	140,245	140,956	144,921	-7.44%	-15.32%	
5.	Miscellaneous	89,552	86,417	82,364	81,195	81,598	2.35%	3.63%	
6.	Uncollectibles	(5,880)	(6,684)	(7,271)	(6,011)	(11,537)	-15.51%	-12.03%	
7.	Total Operating Revenue	<u>1,040,677</u>	<u>1,010,213</u>	<u>961,882</u>	<u>908,103</u>	<u>871,682</u>	4.53%	3.02%	
8.	Operating Expenses	494,761	464,499	447,823	431,602	419,564	4.21%	6.51%	
9.	Depreciation & Amortization	208,264	243,722	211,808	211,225	189,665	2.37%	-14.55%	
10.	Total Operating Taxes	<u>139,563</u>	<u>119,308</u>	<u>116,835</u>	<u>98,818</u>	<u>93,310</u>	10.59%	16.98%	
11.	Total Expenses, Depr. & Taxes	<u>842,588</u>	<u>827,529</u>	<u>776,466</u>	<u>741,645</u>	<u>702,539</u>	4.65%	1.82%	
12.	Other Operating (Income) & Expense	(51)	(261)	(45)	32	43	N/A	-80.46%	
13.	Operating Income	<u>\$198,140</u>	<u>\$182,945</u>	<u>\$185,461</u>	<u>\$166,426</u>	<u>\$169,100</u>	4.04%	8.31%	
14.	Net Plant Investment	<u>\$1,893,522</u>	<u>\$1,756,863</u>	<u>\$1,729,257</u>	<u>\$1,700,813</u>	<u>\$1,701,067</u>	2.72%	7.78%	
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15.	Oper. Exp. as a % of Total Revenue	47.54%	45.98%	46.56%	47.53%	48.13%	-0.31%	3.39%	
16.	Net Plt. Investment per \$ of Revenue	\$1.82	\$1.74	\$1.80	\$1.87	\$1.95	-1.71%	4.60%	
<hr/>									
17.	Local Access Lines:								
18.	Residential	1,396	1,344	1,292	1,257	1,218	3.47%	3.87%	
19.	Business	543	488	451	426	411	7.21%	11.27%	
20.	Total Local Access Lines	<u>1,939</u>	<u>1,832</u>	<u>1,743</u>	<u>1,683</u>	<u>1,629</u>	4.65%	5.84%	
21.	Total Access Lines:								
22.	Residential	1,396	1,344	1,292	1,257	1,218	3.47%	3.87%	
23.	Business	550	497	463	442	434	6.10%	10.66%	
24.	Total Access Lines	<u>1,946</u>	<u>1,841</u>	<u>1,755</u>	<u>1,699</u>	<u>1,652</u>	4.18%	5.70%	
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25.	Estimated Overall Rate of Return	12.72%	<i>10.57%</i>	<i>11.22%</i>	<i>11.76%</i>	<i>11.94%</i>	1.59%	20.34%	
26.	Estimated Return on Common Equity	16.94%	<i>13.85%</i>	<i>15.42%</i>	<i>13.71%</i>	<i>13.98%</i>	4.92%	22.31%	
27.	Common Equity Ratio	58.65%	<i>63.07%</i>	<i>63.74%</i>	<i>64.40%</i>	<i>64.90%</i>	-2.50%	-7.01%	
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.71	<i>6.67</i>	<i>6.44</i>	<i>5.63</i>	<i>5.31</i>	6.02%	0.60%	
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29.	LAST RATE CASE	Authorized Return on Common Equity: 15.00%					Equity Ratio: 54.80%	Date of Order: 11-9-84	

Notes [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 75% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data in italics (Lines 25 - 28, Columns (c) - (f)) which is from past Commission Surveillance Reports  
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$259,741	\$234,847	\$218,385	\$201,789	\$186,868	8.58%	10.60%
3.	Network Access	86,173	82,413	74,011	63,455	63,172	8.07%	4.56%
4.	Long Distance Message	67,623	75,426	65,886	66,148	66,265	0.51%	-10.35%
5.	Miscellaneous	46,673	43,289	36,059	38,537	34,066	8.19%	7.82%
6.	Uncollectibles	(3,343)	(2,471)	(2,042)	(1,860)	(2,061)	12.85%	35.29%
7.	Total Operating Revenue	<u>456,867</u>	<u>433,504</u>	<u>392,299</u>	<u>368,069</u>	<u>348,310</u>	7.02%	5.39%
8.	Operating Expenses	234,038	214,099	239,587	190,122	180,995	6.64%	9.31%
9.	Depreciation & Amortization	95,023	97,470	81,974	77,093	67,361	8.98%	-2.51%
10.	Total Operating Taxes	<u>52,547</u>	<u>48,699</u>	<u>27,564</u>	<u>38,602</u>	<u>38,397</u>	8.16%	7.90%
11.	Total Expenses, Depr. & Taxes	<u>381,608</u>	<u>360,268</u>	<u>349,125</u>	<u>305,817</u>	<u>286,753</u>	7.41%	5.92%
12.	Operating Income	<u>\$75,259</u>	<u>\$73,236</u>	<u>\$43,174</u>	<u>\$62,252</u>	<u>\$61,557</u>	5.15%	2.76%
13.	Net Plant Investment	<u>\$688,175</u>	<u>\$668,337</u>	<u>\$662,797</u>	<u>\$633,204</u>	<u>\$603,051</u>	3.36%	2.97%
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14.	Oper. Exp. as a % of Total Revenue	51.23%	49.39%	61.07%	51.65%	51.96%	-0.36%	3.72%
15.	Net Plt. Investment per \$ of Revenue	\$1.51	\$1.54	\$1.69	\$1.72	\$1.73	-3.42%	-2.30%
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16.	Local Access Lines:							
17.	Residential	762	734	707	677	652	3.97%	3.81%
18.	Business	208	191	195	181	170	5.17%	8.90%
19.	Total Local Access Lines	<u>970</u>	<u>925</u>	<u>902</u>	<u>858</u>	<u>822</u>	4.23%	4.86%
20.	Total Access Lines:							
21.	Residential	762	734	707	677	652	3.97%	3.81%
22.	Business	210	194	199	185	175	4.66%	8.25%
23.	Total Access Lines	<u>972</u>	<u>928</u>	<u>906</u>	<u>862</u>	<u>827</u>	4.12%	4.74%
<hr/>								
24.	Estimated Overall Rate of Return	13.07%	<b>12.80%</b>	<b>7.68%</b>	<b>11.64%</b>	<b>12.49%</b>	1.14%	2.11%
25.	Estimated Return on Common Equity	16.38%	<b>16.51%</b>	<b>7.96%</b>	<b>12.75%</b>	<b>14.93%</b>	2.34%	-0.79%
26.	Common Equity Ratio	62.60%	<b>66.13%</b>	<b>62.61%</b>	<b>64.75%</b>	<b>64.27%</b>	-0.66%	-5.34%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.93	<b>7.67</b>	<b>4.27</b>	<b>6.03</b>	<b>6.96</b>	-0.11%	-9.65%
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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 (c) - (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1986 (b)	December 1984 (c)	December 1983 (d)	December 1982 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$60,431	\$54,879	\$51,662	\$48,080	\$45,106	7.59%	10.12%
3.	Network Access	20,030	18,733	29,601	19,456	10,652	17.10%	6.92%
4.	Long Distance Message	22,339	23,809	(1,346)	9,567	18,329	5.07%	-6.17%
5.	Miscellaneous	10,350	6,997	7,223	7,077	6,933	10.54%	47.92%
6.	Uncollectibles	(732)	(430)	(696)	(533)	(585)	5.76%	70.23%
7.	Total Operating Revenue	112,418	103,988	86,444	83,647	80,435	8.73%	8.11%
8.	Operating Expenses	68,124	67,117	68,933	50,113	46,574	9.97%	1.50%
9.	Depreciation & Amortization	13,911	12,915	12,743	11,543	13,243	1.24%	7.71%
10.	Total Operating Taxes	11,942	9,499	3,340	8,662	8,020	10.47%	25.72%
11.	Total Expenses, Depr. & Taxes	93,977	89,531	85,016	70,318	67,837	8.49%	4.97%
12.	Operating Income	<u>\$18,441</u>	<u>\$14,457</u>	<u>\$1,428</u>	<u>\$13,329</u>	<u>\$12,598</u>	<u>9.99%</u>	<u>27.56%</u>
13.	Net Plant Investment	<u>\$189,012</u>	<u>\$179,157</u>	<u>\$168,658</u>	<u>\$162,093</u>	<u>\$160,405</u>	<u>4.19%</u>	<u>5.50%</u>
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14.	Oper. Exp. as a % of Total Revenue	60.60%	64.54%	79.74%	59.91%	57.90%	1.14%	-6.11%
15.	Net Plt. Investment per \$ of Revenue	\$1.68	\$1.72	\$1.95	\$1.94	\$1.99	-4.18%	-2.41%
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16.	Local Access Lines:							
17.	Residential	179	173	168	164	160	2.85%	3.47%
18.	Business	52	47	52	47	44	4.26%	10.64%
19.	Total Local Access Lines	231	220	220	211	204	3.16%	5.00%
20.	Total Access Lines:							
21.	Residential	179	173	168	164	160	2.85%	3.47%
22.	Business	52	47	52	49	46	3.11%	10.64%
23.	Total Access Lines	231	220	220	213	206	2.90%	5.00%
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24.	Estimated Overall Rate of Return	13.05%	<b>8.35%</b>	<b>1.10%</b>	<b>11.16%</b>	<b>10.76%</b>	4.97%	56.29%
25.	Estimated Return on Common Equity	15.10%	<b>15.29%</b>	<b>-2.20%</b>	<b>12.97%</b>	<b>12.18%</b>	5.52%	-1.24%
26.	Common Equity Ratio	65.95%	<b>87.05%</b>	<b>70.22%</b>	<b>68.60%</b>	<b>63.64%</b>	0.90%	-24.24%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.22	<b>6.86</b>	<b>2.77</b>	<b>7.10</b>	<b>6.12</b>	0.41%	-9.33%
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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 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 (c) - (f)) which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$3,388	\$3,259	\$3,204	\$3,089	\$2,928	3.72%	3.96%
3.	Network Access	2,724	2,338	2,431	2,030	1,516	15.78%	16.51%
4.	Long Distance Message	1,916	1,874	1,708	1,784	1,730	2.59%	2.24%
5.	Miscellaneous	808	803	772	695	604	7.55%	0.62%
6.	Uncollectibles	(9)	(6)	(14)	(13)	(8)	2.99%	50.00%
7.	Total Operating Revenue	8,827	8,268	8,101	7,585	6,770	6.86%	6.76%
8.	Operating Expenses	3,739	3,472	3,302	3,256	3,367	2.65%	7.69%
9.	Depreciation & Amortization	2,020	2,239	1,566	1,596	1,337	10.87%	-9.78%
10.	Total Operating Taxes	963	717	928	882	672	9.41%	34.31%
11.	Total Expenses, Depr. & Taxes	6,722	6,428	5,796	5,734	5,376	5.74%	4.57%
12.	Operating Income	\$2,105	\$1,840	\$2,305	\$1,851	\$1,394	10.85%	14.40%
13.	Net Plant Investment	\$16,665	\$17,342	\$17,943	\$17,735	\$18,306	-2.32%	-3.90%
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14.	Oper. Exp. as a % of Total Revenue	42.36%	41.99%	40.76%	42.93%	49.73%	-3.93%	0.88%
15.	Net Plt. Investment per \$ of Revenue	\$1.89	\$2.10	\$2.21	\$2.34	\$2.70	-8.53%	-10.00%
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16.	Local Access Lines:							
17.	Residential	14	13	13	12	12	3.93%	7.69%
18.	Business	3	3	3	2	2	10.67%	0.00%
19.	Total Local Access Lines	17	16	16	14	14	4.97%	6.25%
20.	Total Access Lines:							
21.	Residential	14	13	13	12	12	3.93%	7.69%
22.	Business	3	3	3	2	2	10.67%	0.00%
23.	Total Access Lines	17	16	16	14	14	4.97%	6.25%
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24.	Estimated Overall Rate of Return	12.73%	11.37%	13.79%	11.79%	8.59%	10.33%	11.96%
25.	Estimated Return on Common Equity	17.73%	15.45%	20.45%	16.88%	10.82%	13.14%	14.76%
26.	Common Equity Ratio	48.89%	51.83%	49.01%	45.67%	39.99%	5.15%	-5.67%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.23	2.74	3.23	2.87	2.69	11.98%	54.38%
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28.	LAST RATE CASE	Authorized Return on Common Equity: 12.70%    Equity Ratio: 44.95%    Date of Order: 2-26-91						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 72% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Columns (c) - (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$21,231	\$18,818	\$16,124	\$15,076	\$13,755	11.46%	12.82%
3.	Network Access	3,618	3,436	2,837	2,696	2,723	7.36%	5.30%
4.	Long Distance Message	5,748	7,135	5,557	6,178	6,240	-2.03%	-19.44%
5.	Miscellaneous	4,760	4,427	4,446	4,322	4,208	3.13%	7.52%
6.	Uncollectibles	(168)	(143)	(323)	(394)	(187)	-2.64%	17.48%
7.	Total Operating Revenue	<u>35,189</u>	<u>33,673</u>	<u>28,641</u>	<u>27,878</u>	<u>26,739</u>	<u>7.11%</u>	<u>4.50%</u>
8.	Operating Expenses	15,683	14,332	13,211	12,652	11,947	7.04%	9.43%
9.	Depreciation & Amortization	9,238	11,152	7,031	6,251	4,580	19.17%	-17.16%
10.	Total Operating Taxes	<u>4,790</u>	<u>3,943</u>	<u>3,978</u>	<u>4,009</u>	<u>4,368</u>	<u>2.33%</u>	<u>21.48%</u>
11.	Total Expenses, Depr. & Taxes	<u>29,711</u>	<u>29,427</u>	<u>24,220</u>	<u>22,912</u>	<u>20,895</u>	<u>9.20%</u>	<u>0.97%</u>
12.	Operating Income	<u>\$5,478</u>	<u>\$4,246</u>	<u>\$4,421</u>	<u>\$4,966</u>	<u>\$5,844</u>	<u>-1.60%</u>	<u>29.02%</u>
13.	Net Plant Investment	<u>\$44,072</u>	<u>\$40,505</u>	<u>\$43,795</u>	<u>\$46,523</u>	<u>\$46,536</u>	<u>-1.35%</u>	<u>8.81%</u>
14.	Oper. Exp. as a % of Total Revenue	44.57%	42.56%	46.13%	45.38%	44.68%	-0.06%	4.72%
15.	Net Plt. Investment per \$ of Revenue	\$1.25	\$1.20	\$1.53	\$1.67	\$1.74	-7.94%	4.17%
16.	Local Access Lines:							
17.	Residential	73	71	68	67	65	2.94%	2.82%
18.	Business	<u>18</u>	<u>17</u>	<u>16</u>	<u>14</u>	<u>14</u>	<u>6.48%</u>	<u>5.88%</u>
19.	Total Local Access Lines	<u>91</u>	<u>88</u>	<u>84</u>	<u>81</u>	<u>79</u>	<u>3.60%</u>	<u>3.41%</u>
20.	Total Access Lines:							
21.	Residential	73	71	68	66	65	2.94%	2.82%
22.	Business	<u>18</u>	<u>17</u>	<u>16</u>	<u>15</u>	<u>14</u>	<u>6.48%</u>	<u>5.88%</u>
23.	Total Access Lines	<u>91</u>	<u>88</u>	<u>84</u>	<u>81</u>	<u>79</u>	<u>3.60%</u>	<u>3.41%</u>
24.	Estimated Overall Rate of Return	16.49%	<b>10.83%</b>	<b>13.35%</b>	<b>13.92%</b>	<b>15.52%</b>	1.53%	52.26%
25.	Estimated Return on Common Equity	18.23%	<b>13.74%</b>	<b>14.50%</b>	<b>15.07%</b>	<b>17.15%</b>	1.54%	32.68%
26.	Common Equity Ratio	84.95%	<b>85.44%</b>	<b>82.56%</b>	<b>86.95%</b>	<b>84.36%</b>	0.17%	-0.57%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	34.01	<b>17.80</b>	<b>23.66</b>	<b>20.22</b>	<b>21.83</b>	11.72%	93.24%
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 75% of total North Carolina revenue, i.e., intrastate and interstate revenue.

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

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

**GTE OF NORTH CAROLINA**  
**SELECTED FINANCIAL AND OPERATIONAL DATA**  
**North Carolina Intrastate Operations**  
**(Amounts in Thousands)**

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1995	December 1994	December 1993	December 1992	December 1991	Four Year	Current Year
		(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Basic Local Service	\$26,941	\$27,636	\$28,763	\$27,444	\$26,111	0.79%	-2.51%
3.	Network Access	18,849	21,294	32,228	19,526	16,844	2.85%	-11.48%
4.	Long Distance Message	9,081	10,238	(336)	6,527	11,538	-5.81%	-11.30%
5.	Miscellaneous	2,375	2,016	2,086	2,228	3,906	-11.70%	17.81%
6.	Uncollectibles	(1,020)	(852)	(862)	(239)	(408)	25.74%	19.72%
7.	Total Operating Revenue	56,226	60,332	61,879	55,486	57,991	-0.77%	-6.81%
8.	Operating Expenses	27,241	29,057	23,036	23,850	25,161	2.01%	-6.25%
9.	Depreciation & Amortization	11,433	10,481	10,029	10,980	12,226	-1.66%	9.08%
10.	Total Operating Taxes	7,831	7,973	10,572	7,086	6,952	3.02%	-1.78%
11.	Total Expenses, Depr. & Taxes	46,505	47,511	43,637	41,916	44,339	1.20%	-2.12%
12.	Other Operating (Income) & Expense	61	2	0	58	0	N/A	N/A
13.	Operating Income	<u>\$9,660</u>	<u>\$12,819</u>	<u>\$18,242</u>	<u>\$13,512</u>	<u>\$13,652</u>	<u>-8.28%</u>	<u>-24.64%</u>
14.	Net Plant Investment	<u>\$105,034</u>	<u>\$103,155</u>	<u>\$100,896</u>	<u>\$101,586</u>	<u>\$99,791</u>	1.29%	1.82%
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15.	Oper. Exp. as a % of Total Revenue	48.45%	48.16%	37.23%	42.98%	43.39%	2.80%	0.60%
16.	Net Plt. Investment per \$ of Revenue	\$1.87	\$1.71	\$1.63	\$1.83	\$1.72	2.07%	9.26%
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17.	Local Access Lines:							
18.	Residential	92	89	86	83	81	3.23%	3.37%
19.	Business	21	19	18	17	14	10.67%	10.53%
20.	Total Local Access Lines	113	108	104	100	95	4.43%	4.63%
21.	Total Access Lines:							
22.	Residential	92	89	86	83	81	3.23%	3.37%
23.	Business	23	20	18	17	14	13.21%	15.00%
24.	Total Access Lines	115	109	104	100	95	4.89%	5.50%
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25.	Estimated Overall Rate of Return	11.35%	<b>10.90%</b>	<b>21.83%</b>	<b>16.06%</b>	<b>16.50%</b>	-8.93%	4.13%
26.	Estimated Return on Common Equity	13.58%	<b>19.45%</b>	<b>30.28%</b>	<b>20.05%</b>	<b>20.95%</b>	-10.27%	-30.18%
27.	Common Equity Ratio	59.59%	<b>65.13%</b>	<b>56.37%</b>	<b>60.50%</b>	<b>61.28%</b>	-0.70%	-8.51%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.63	7.32	5.92	6.87	6.44	-3.30%	-23.09%
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29.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 15.00%		Equity Ratio: 45.00%		Date of Order: 5-1-85		

- Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 76% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 25 - 28, Columns (c) - (f)] which is from past Commission Surveillance Reports.  
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

**GTE SOUTH, INC.**  
**SELECTED FINANCIAL AND OPERATIONAL DATA**  
North Carolina Intrastate Operations  
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
	Basic Local Service	\$66,202	\$61,060	\$56,990	\$53,722	\$49,298	7.65%	8.42%
3.	Network Access	21,219	21,202	26,093	19,239	13,558	11.85%	0.08%
4.	Long Distance Message	8,693	5,464	(3,066)	7,331	16,874	-15.28%	59.10%
5.	Miscellaneous	10,974	17,163	15,553	15,376	9,516	3.63%	-36.06%
6.	Uncollectibles	(1,489)	(1,679)	(490)	(1,967)	(873)	14.28%	-11.32%
7.	Total Operating Revenue	<u>105,599</u>	<u>103,210</u>	<u>95,080</u>	<u>93,701</u>	<u>88,373</u>	<u>4.55%</u>	<u>2.31%</u>
8.	Operating Expenses	50,988	56,372	45,426	47,149	43,447	4.08%	-9.55%
9.	Depreciation & Amortization	25,307	24,020	17,802	19,233	14,113	15.72%	5.36%
10.	Total Operating Taxes	<u>11,338</u>	<u>9,543</u>	<u>12,047</u>	<u>9,680</u>	<u>12,475</u>	<u>-2.36%</u>	<u>18.81%</u>
11.	Total Expenses, Depr. & Taxes	<u>87,633</u>	<u>89,935</u>	<u>75,275</u>	<u>76,062</u>	<u>70,035</u>	<u>5.76%</u>	<u>-2.56%</u>
12.	Other Operating (Income) & Expense	(27)	(419)	(54)	(111)	(92)	-0.31%	-93.56%
13.	Operating Income	<u>\$17,993</u>	<u>\$13,694</u>	<u>\$19,859</u>	<u>\$17,750</u>	<u>\$18,430</u>	<u>-0.60%</u>	<u>31.39%</u>
14.	Net Plant Investment	<u>\$258,156</u>	<u>\$257,541</u>	<u>\$258,489</u>	<u>\$235,531</u>	<u>\$221,654</u>	<u>3.88%</u>	<u>0.24%</u>
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15.	Oper. Exp. as a % of Total Revenue	48.28%	54.62%	47.78%	50.32%	49.16%	-0.45%	-11.60%
16.	Net Plt. Investment per \$ of Revenue	\$2.44	\$2.50	\$2.72	\$2.51	\$2.51	-0.64%	-2.03%
<hr/>								
17.	Local Access Lines:							
18.	Residential	108	105	101	99	95	3.26%	2.86%
19.	Business	76	69	65	63	57	7.46%	10.14%
20.	Total Local Access Lines	<u>184</u>	<u>174</u>	<u>166</u>	<u>162</u>	<u>152</u>	<u>4.89%</u>	<u>5.75%</u>
21.	Total Access Lines:							
22.	Residential	108	105	101	99	95	3.26%	2.86%
23.	Business	121	101	110	80	70	14.66%	19.80%
24.	Total Access Lines	<u>229</u>	<u>206</u>	<u>211</u>	<u>179</u>	<u>165</u>	<u>8.54%</u>	<u>11.17%</u>
<hr/>								
25.	Estimated Overall Rate of Return	9.35%	<b>7.63%</b>	<b>9.41%</b>	<b>10.39%</b>	<b>10.01%</b>	-1.69%	22.54%
26.	Estimated Return on Common Equity	10.24%	<b>6.17%</b>	<b>10.05%</b>	<b>12.02%</b>	<b>8.18%</b>	5.78%	65.96%
27.	Common Equity Ratio	59.59%	<b>63.29%</b>	<b>66.71%</b>	<b>64.99%</b>	<b>66.69%</b>	1.71%	-5.85%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.07	<b>6.60</b>	<b>0.47</b>	<b>4.46</b>	<b>4.82</b>	-4.14%	-27.32%
<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 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 25 - 28, Columns (c) - (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1995 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$6,505	\$5,772	\$5,172	\$4,810	\$4,661	8.69%	12.70%
3.	Network Access	9,836	9,114	8,466	7,788	7,548	6.84%	7.92%
4.	Long Distance Message	1,722	1,874	2,224	2,653	2,602	-9.81%	-8.11%
5.	Miscellaneous	3,063	2,753	2,564	3,465	2,810	2.18%	11.26%
6.	Uncollectibles	(98)	(64)	(99)	(83)	(96)	0.52%	53.13%
7.	Total Operating Revenue	<u>21,028</u>	<u>19,449</u>	<u>18,327</u>	<u>18,633</u>	<u>17,525</u>	4.66%	8.12%
8.	Operating Expenses	11,282	10,299	10,632	10,601	10,313	2.27%	9.54%
9.	Depreciation & Amortization	3,102	2,789	2,656	2,448	2,301	7.75%	11.22%
10.	Total Operating Taxes	2,516	2,376	2,117	2,280	1,823	8.39%	5.89%
11.	Total Expenses, Depr. & Taxes	<u>16,900</u>	<u>15,464</u>	<u>15,405</u>	<u>15,329</u>	<u>14,437</u>	4.02%	9.29%
12.	Operating Income	<u>\$4,128</u>	<u>\$3,985</u>	<u>\$2,922</u>	<u>\$3,304</u>	<u>\$3,088</u>	7.53%	3.59%
13.	Net Plant Investment	<u>\$38,470</u>	<u>\$35,958</u>	<u>\$33,144</u>	<u>\$31,308</u>	<u>\$28,658</u>	7.64%	6.99%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	53.65%	52.95%	58.01%	56.89%	58.85%	-2.29%	1.32%
15.	Net Plt. Investment per \$ of Revenue	\$1.83	\$1.85	\$1.81	\$1.68	\$1.64	2.78%	-1.08%
<hr/>								
16.	Local Access Lines:							
17.	Residential	22	21	20	20	19	3.73%	4.76%
18.	Business	8	7	6	6	6	7.46%	14.29%
19.	Total Local Access Lines	<u>30</u>	<u>28</u>	<u>26</u>	<u>26</u>	<u>25</u>	4.66%	7.14%
20.	Total Access Lines:							
21.	Residential	22	21	20	20	19	3.73%	4.76%
22.	Business	8	7	6	6	6	7.46%	14.29%
23.	Total Access Lines	<u>30</u>	<u>28</u>	<u>26</u>	<u>26</u>	<u>25</u>	4.66%	7.14%
<hr/>								
24.	Estimated Overall Rate of Return	13.38%	<b>11.31%</b>	<b>9.72%</b>	<b>11.79%</b>	<b>12.37%</b>	1.98%	18.30%
25.	Estimated Return on Common Equity	14.59%	<b>12.69%</b>	<b>9.96%</b>	<b>12.34%</b>	<b>13.09%</b>	2.75%	14.97%
26.	Common Equity Ratio	80.26%	<b>83.94%</b>	<b>90.56%</b>	<b>88.70%</b>	<b>87.12%</b>	-2.03%	-4.38%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	13.04	<b>20.23</b>	<b>21.28</b>	<b>26.38</b>	<b>22.06</b>	-12.32%	-35.54%
<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 (c) - (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 Growth Rate	
		December 1996 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$1,701	\$1,609	\$1,465	\$1,133	\$1,083	11.95%	5.72%
3.	Network Access	2,538	2,472	2,562	2,791	1,918	7.25%	2.67%
4.	Long Distance Message	604	445	353	319	299	19.22%	35.73%
5.	Miscellaneous	167	196	86	150	94	15.45%	-14.80%
6.	Uncollectibles	(46)	(27)	(22)	(12)	(5)	74.16%	70.37%
7.	Total Operating Revenue	<u>4,964</u>	<u>4,695</u>	<u>4,444</u>	<u>4,381</u>	<u>3,389</u>	<u>10.01%</u>	<u>5.73%</u>
8.	Operating Expenses	3,485	3,173	2,732	2,371	2,243	11.65%	9.83%
9.	Depreciation & Amortization	557	929	873	523	487	3.41%	-40.04%
10.	Total Operating Taxes	176	14	309	562	236	-7.07%	N/A
11.	Total Expenses, Depr. & Taxes	<u>4,218</u>	<u>4,116</u>	<u>3,914</u>	<u>3,456</u>	<u>2,966</u>	<u>9.20%</u>	<u>2.48%</u>
12.	Operating Income	<u>\$746</u>	<u>\$579</u>	<u>\$530</u>	<u>\$925</u>	<u>\$423</u>	<u>15.24%</u>	<u>28.84%</u>
13.	Net Plant Investment	<u>\$6,256</u>	<u>\$6,274</u>	<u>\$5,659</u>	<u>\$5,809</u>	<u>\$4,861</u>	<u>6.51%</u>	<u>-0.29%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	70.21%	67.58%	61.48%	54.12%	66.18%	1.49%	3.89%
15.	Net Plt Investment per \$ of Revenue	\$1.26	\$1.34	\$1.27	\$1.33	\$1.43	-3.11%	-5.97%
<hr/>								
16.	Local Access Lines:							
17.	Residential	6	6	6	6	5	4.66%	0.00%
18.	Business	2	1	1	1	1	18.92%	100.00%
19.	Total Local Access Lines	<u>8</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>6</u>	<u>7.46%</u>	<u>14.29%</u>
20.	Total Access Lines:							
21.	Residential	6	6	6	6	5	4.66%	0.00%
22.	Business	2	1	1	1	1	18.92%	100.00%
23.	Total Access Lines	<u>8</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>6</u>	<u>7.46%</u>	<u>14.29%</u>
<hr/>								
24.	Estimated Overall Rate of Return	12.01%	<b>5.84%</b>	<b>11.34%</b>	<b>18.36%</b>	<b>10.25%</b>	4.04%	105.65%
25.	Estimated Return on Common Equity	20.03%	<b>5.97%</b>	<b>17.11%</b>	<b>32.11%</b>	<b>16.91%</b>	4.32%	235.51%
26.	Common Equity Ratio	42.44%	<b>39.41%</b>	<b>46.43%</b>	<b>51.28%</b>	<b>46.23%</b>	-2.12%	7.69%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.67	<b>3.03</b>	<b>5.07</b>	<b>8.05</b>	<b>3.96</b>	-1.88%	21.12%
<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 (c) - (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 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	
		December 1996 (b)	December 1994 (c)	December 1993 (d)	December 1992 (e)	December 1991 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$18,672	\$17,025	\$15,488	\$11,429	\$10,082	16.66%	9.67%
3.	Network Access	26,856	24,855	22,693	21,235	20,333	7.20%	8.05%
4.	Long Distance Message	5,587	5,546	5,174	9,798	11,124	-15.82%	0.74%
5.	Miscellaneous	5,816	5,334	4,880	5,345	5,195	2.86%	9.04%
6.	Uncollectibles	(369)	(375)	(497)	(450)	(456)	-5.15%	-1.60%
7.	Total Operating Revenue	<u>56,562</u>	<u>52,385</u>	<u>47,738</u>	<u>47,357</u>	<u>46,278</u>	5.14%	7.97%
8.	Operating Expenses	25,697	24,816	24,513	24,463	19,357	7.34%	3.55%
9.	Depreciation & Amortization	10,929	9,129	8,200	6,773	9,136	4.58%	19.72%
10.	Total Operating Taxes	8,345	7,429	6,076	6,253	6,630	5.92%	12.33%
11.	Total Expenses, Depr. & Taxes	<u>44,971</u>	<u>41,374</u>	<u>38,789</u>	<u>37,489</u>	<u>35,123</u>	6.37%	8.69%
12.	Other Operating (Income) & Expense	(528)	1,769	(140)	(135)	(145)	38.14%	-129.85%
13.	Operating Income	<u>\$12,119</u>	<u>\$9,242</u>	<u>\$9,089</u>	<u>\$10,003</u>	<u>\$11,300</u>	1.76%	31.13%
14.	Net Plant Investment	<u>\$80,257</u>	<u>\$74,103</u>	<u>\$70,212</u>	<u>\$69,176</u>	<u>\$66,563</u>	4.79%	8.30%
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	45.43%	47.37%	51.35%	51.66%	41.83%	2.09%	-4.10%
16.	Net Plt. Investment per \$ of Revenue	\$1.42	\$1.41	\$1.47	\$1.46	\$1.44	-0.34%	0.31%
<hr/>								
17.	Local Access Lines:							
18.	Residential	72	70	68	66	65	2.59%	2.86%
19.	Business	32	29	28	26	25	6.37%	10.34%
20.	Total Local Access Lines	<u>104</u>	<u>99</u>	<u>96</u>	<u>92</u>	<u>90</u>	<u>3.68%</u>	<u>5.05%</u>
21.	Total Access Lines:							
22.	Residential	72	70	68	66	65	2.59%	2.86%
23.	Business	32	30	28	26	26	5.33%	6.67%
24.	Total Access Lines	<u>104</u>	<u>100</u>	<u>96</u>	<u>92</u>	<u>91</u>	<u>3.39%</u>	<u>4.00%</u>
<hr/>								
25.	Estimated Overall Rate of Return	17.61%	<b>12.06%</b>	<b>14.40%</b>	<b>15.34%</b>	<b>18.29%</b>	-0.94%	46.02%
26.	Estimated Return on Common Equity	18.51%	<b>14.77%</b>	<b>15.09%</b>	<b>16.45%</b>	<b>19.98%</b>	-1.89%	25.32%
27.	Common Equity Ratio	92.50%	<b>92.55%</b>	<b>91.69%</b>	<b>88.62%</b>	<b>87.06%</b>	1.53%	-0.05%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	74.99	<b>43.42</b>	<b>23.60</b>	<b>20.95</b>	<b>22.18</b>	35.60%	72.71%
<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 (c) - (f)) which is from past Commission Surveillance Reports.

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