

"Quarterly Review"

Selected Financial and Operational Data:

Re:

Electric Companies

- ***Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.***
- ***Dominion North Carolina Power***
- ***Duke Power, a Division of Duke Energy Corporation***
- ***Nantahala Power and Light Company***

Natural Gas Local Distribution Companies

- ***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***
- ***LEXCOM Telephone Company***
- ***MEBTEL Communications***
- ***North State Communications***
- ***Verizon South, Inc.***

■ ***Quarter Ending March 31, 2003*** ■

Table of Contents

Part		Page
I	<i>Introduction</i>	1
II	<i>Review of Key Financial Ratios:</i>	6
	▣ <i>Summary Statement of Key Financial Ratios For 17 Selected Companies For The Twelve Months Ended March 31, 2003 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios — And Certain Rate Case Data</i>	7
	▣ <i>Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By <u>Public Utilities Reports</u>, Volume Nos. 218-226, from October 2002 Through August 2003</i>	10
III	<i>Overviews of Selected Financial and Operational Data By Utility:</i>	12
	▣ <i>Electric Companies:</i>	
	▪ <i>Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.</i>	13
	▪ <i>Dominion North Carolina Power</i>	14
	▪ <i>Duke Power, a Division of Duke Energy Corporation</i>	15
	▪ <i>Nantahala Power and Light Company</i>	16
	▣ <i>Natural Gas Local Distribution Companies:</i>	
	▪ <i>North Carolina Natural Gas Corporation</i>	17
	▪ <i>Piedmont Natural Gas Company, Inc.</i>	18
	▪ <i>Public Service Company of North Carolina, Inc.</i>	19
	▣ <i>Telecommunications Companies:</i>	
	▪ <i>ALLTEL Carolina, Inc.</i>	20
	▪ <i>BellSouth Telecommunications, Inc.</i>	21
	▪ <i>Carolina Telephone and Telegraph Company</i>	22
	▪ <i>Central Telephone Company</i>	23

Table of Contents – continued

<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>	<i>24</i>
	▪ <i>Concord Telephone Company</i>	<i>25</i>
	▪ <i>LEXCOM Telephone Company</i>	<i>26</i>
	▪ <i>MEBTEL Communications</i>	<i>27</i>
	▪ <i>North State Communications</i>	<i>28</i>
	▪ <i>Verizon South Inc.</i>	<i>29</i>
IV	<i>Appendix A - Distribution List</i>	

Part I

Introduction

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

The *Quarterly Review* has been designed and is structured so as to provide, in a clear and concise format, relevant and useful financial and operational information pertaining to 17 major investor-owned public utilities regulated by the North Carolina Utilities Commission (Commission): four electric companies, three natural gas local distribution companies, and ten telecommunications companies. The primary focus of this report is one of a jurisdictional financial nature. However, albeit limited, certain jurisdictional operational information is also included.

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

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

A Specific Objective

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

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

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

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

The Key Financial Ratios

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

The Return on Common Equity

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

The Common Equity Capitalization Ratio

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

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

review the reasonableness of the levels of earnings of the companies' common stockholders, and in consideration of the other key financial benchmarks which are also presented herein, the common equity capitalization ratio appears to be the most appropriate and meaningful measure of the financial riskiness of the companies for use in this regard.

The Pre-tax Interest Coverage Ratio

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

The Overall Rate of Return

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

The Propriety of The Methodology

The foregoing financial benchmarks, as presented in this report, have been determined on the basis of the companies' actual operating experience. 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 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 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 17 Selected Companies For The Twelve Months Ended March 31, 2003 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage 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. 218-226 from October 2002 Through August 2003***

**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 Pre-tax Interest Coverage Ratios are for
Twelve Months Ended March 31, 2003, Except for Certain Telecommunications Companies - See Note [1]"

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

Line No.	Item (a)	Estimated for 12 Months Ended 3/31/03				Authorized - Last Rate Case			
		Return On Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Pre-tax Interest Coverage 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.	12.05%	9.08%	50.11%	4.78	12.75%	10.45%	44.00%	08/05/88
2.	Dominion North Carolina Power	16.11%	11.04%	47.41%	5.51	11.80%	9.48%	44.82%	02/26/93
3.	Duke Power, a Division of Duke Energy Corporation	14.48%	10.82%	57.43%	6.48	12.50%	10.44%	49.82%	11/12/91
4.	Nantahala Power and Light Company	6.75%	6.96%	64.77%	3.95	12.10%	10.32%	56.11%	06/18/93
Natural Gas Local Distribution Companies									
5.	North Carolina Natural Gas Corporation	0.76%	3.54%	50.13%	1.22	N/A	10.09%	N/A	10/27/95
6.	Piedmont Natural Gas Company, Inc.	9.04%	8.31%	53.86%	3.31	11.30%	9.70%	52.71%	10/05/00
7.	Public Service Company of North Carolina, Inc.	10.73%	8.56%	47.90%	3.47	11.40%	9.82%	51.91%	10/30/98
Telecommunications Companies									
8.	* ALLTEL Carolina, Inc.	18.82%	17.28%	75.81%	5.73	13.20%	10.33%	42.11%	11/25/86
9.	* BellSouth Telecommunications, Inc.	16.34%	11.61%	58.65%	8.96	15.00%	12.51%	54.80%	11/09/84
10.	* Carolina Telephone and Telegraph Company	21.26%	14.62%	60.39%	12.61	15.25%	11.82%	48.40%	03/30/83
11.	* Central Telephone Company	16.18%	14.46%	79.14%	13.39	15.50%	12.09%	48.30%	06/22/83
12.	Citizens Telephone Company	18.10%	15.19%	89.85%	8.55	12.70%	10.11%	44.95%	02/26/91
13.	* Concord Telephone Company	18.42%	14.46%	89.15%	14.14	15.50%	12.11%	58.59%	06/17/83
14.	LEXCOM Telephone Company	13.85%	13.65%	98.60%	112.73	16.25%	12.77%	37.22%	06/14/82
15.	* MEBTEL Communications	13.85%	13.85%	100.00%	0.00	16.50%	5.92%	16.92%	11/26/79
16.	* North State Telephone Company	13.57%	13.42%	97.82%	289.99	N/A	N/A	N/A	06/13/52
17.	* Verizon South Inc.	7.39%	7.60%	44.56%	2.13	13.90%	11.82%	50.00%	09/16/86

NOTES:

- * [1] Companies electing price regulation are denoted above with an asterisk. For those companies, with the exception of Concord Telephone Company, ALLTEL Carolina, Inc., MEBTEL Communications, and North State Telephone Company, the data for such companies included herein is updated annually beginning with the calendar year 1996. The data for Concord Telephone Company is updated annually beginning with the calendar year 1997. The data for ALLTEL Carolina, Inc. is updated annually beginning with the calendar year 1998. The data for MEBTEL Communications is updated annually beginning with the calendar year 1999. The data for North State Telephone Company is updated annually beginning with the calendar year 2003.
- [2] Information presented is on a North Carolina jurisdictional basis except for MEBTEL Communications and North State Telephone Company which are presented on a total company basis.
- [3] North Carolina Gas Service, Division of NUI is no longer listed in this report. The Company has been purchased by Piedmont Natural Gas Company, Inc.
- [4] N/A denotes that information is not available.

**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 Pre-tax Interest Coverage Ratios are for
Twelve Months Ended March 31, 2003, Except for Certain Telecommunications Companies - See Note [1]"

NOTES - continued

NOTES: [6] Standard and Poor's 1994 annual "Global Sector Review" reflects the following benchmark-ratio ranges for total debt capitalization ratios and pre-tax interest coverage ratios for electric utilities and natural gas local distribution companies; telecommunications utilities are not included in that publication:

Line No.	Item (a)	RANGE	
		BONDS RATED "AA" (b)	BONDS RATED "A" (c)
1.	Electric utilities:		
2.	Pre-tax interest coverage ratio (times)	3.50 - 4.00	2.75 - 4.50
3.	Total debt ratio (%)	42.00 - 47.00	41.00 - 52.00
4.	Natural gas local distribution companies:		
5.	Pre-tax interest coverage ratio (times)	3.75 - 4.25	3.00 - 4.25
6.	Total debt ratio (%)	41.00 - 46.00	42.00 - 51.00

[6] Selected financial market indicators from "Moody's Credit Perspectives", Volume 96, No. 39, September 29, 2003 follow:

Part I

Line No.	Date (a)	U.S. Treasury Securities			Dealer-Placed 3-Month CP % (e)	Moody's Long-Term Corporate Bond Yield % (f)
		3-Month Bill % (b)	10-Year Note % (c)	30-Year Bond % (d)		
1.	September 19, 2003	0.93	4.15	5.06	1.05	6.28
2.	September 22, 2003	0.93	4.23	5.13	1.05	6.35
3.	September 23, 2003	0.93	4.21	5.10	1.05	6.31
4.	September 24, 2003	0.92	4.14	5.03	1.04	6.24
5.	September 25, 2003	0.92	4.10	5.00	1.06	6.21
6.	Month of August 2003	0.95	4.43	5.30	1.06	6.58
7.	Month of July 2003	0.89	3.95	4.92	1.02	6.26

Part II

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

Line No.	Rating (a)	09/25/03 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	Aug. 2003 (e)	July 2003 (f)
1.	Aaa	-	-	-	-	-
2.	Aa	6.14	7.07	6.12	6.48	6.37
3.	A	6.39	7.23	6.21	6.79	6.57

[7] According to "Moody's Credit Perspectives", Volume 96, No. 21 as of 12/10/01 the "Aaa" Utilities Index will be discontinued indefinitely.

**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 Pre-tax Interest Coverage Ratios are for
Twelve Months Ended March 31, 2003, Except for Certain Telecommunications Companies - See Note [1]"

NOTES - continued

NOTES: [8] Selected financial market indicators from "Moody's Credit Perspectives", Volume 96, No. 39, September 29, 2003 follow - continued:

Part III

New offerings by public utilities - listing is all inclusive for week of September 29, 2003:

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield		Rating (f)
				Current (d)	Maturity (e)	
1.	Public Service Co. of Colorado	\$300 Million	5 Years	4.375%	4.410%	Baa1
2.	Public Service Co. of Colorado	\$275 Million	11 Years	5.500%	5.610%	Baa1
3.	Gulf Power Company	\$40 Million	30 Years	5.750%	-	Aaa
4.	Progress Energy Carolinas, Inc.	\$400 Million	10 Years	5.125%	5.280%	A3
5.	Progress Energy Carolinas, Inc.	\$200 Million	30 Years	-	6.290%	A3
6.	Public Service Electric and Gas Co.	\$300 Million	10 Years	-	-	A3
7.	Georgia Power Company	\$100 Million	10 Years	4.900%	5.010%	A2
8.	Public Service Co. of New Mexico	\$300 Million	5 Years	4.400%	4.400%	Baa3
9.	Rochester Gas & Electric Corp.	\$75 Million	30 Years	6.375%	6.410%	Baa1
10.	Public Service Co. of Oklahoma	\$150 Million	7 Years	4.850%	4.780%	Baa1
11.	Duke Energy Corporation	\$500 Million	12 Years	5.300%	5.300%	A3
12.	Duke Energy Corporation	\$300 Million	5 Years	4.200%	4.230%	Baa1

**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. 218-226, from October 2002 through August 2003**

(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns		Date Of Order (d)	Volume No. Public Utilities Reports (e)
		Common Equity (b)	Overall (c)		
<i>Electric Companies</i>					
1.	Sierra Pacific Power Company (NV)	10.17%	8.61%	05/28/02	Volume 218
2.	Gulf Power Company (FL)	12.00%	N/A	06/10/02	Volume 218
3.	Savannah Electric and Power Company (GA)	12.00%	N/A	05/30/02	Volume 218
4.	Wisconsin Public Service Corporation (WI)	12.30%	9.71%	06/21/02	Volume 218
5.	Citizens Energy Services (VT)	5.75%	N/A	07/15/02	Volume 220
6.	Wisconsin Electric Power Company (WI)	11.00%	8.14%	09/16/02	Volume 221
7.	PacificCorp (WY)	10.75%	8.45%	03/06/03	Volume 224
8.	South Carolina Electric and Gas Company (SC)	12.45%	9.94%	01/31/03	Volume 225
9.	Interstate Power and Light Company (IA)	11.15%	N/A	04/15/03	Volume 225
<i>Natural Gas Local Distribution Companies</i>					
10.	Wisconsin Public Service Corporation (WI)	12.30%	9.71%	06/21/02	Volume 218
11.	MidAmerican Energy Company (IL)	11.20%	8.85%	09/11/02	Volume 220
12.	Washington Gas Light Company (MD)	N/A	8.75%	09/27/02	Volume 221
13.	Washington Gas Light Company (DC)	10.60%	8.83%	10/29/02	Volume 221
14.	Consumers Energy Company (MI)	11.40%	7.45%	11/07/02	Volume 221
15.	Montana-Dakota Utilities Company (ND)	11.33%	N/A	12/18/02	Volume 222
16.	People's Gas System (FL)	11.25%	8.83%	01/06/03	Volume 222
17.	Midwest Energy, Inc. (KS)	11.66%	7.63%	01/22/03	Volume 223
18.	Madison Gas and Electric Company (WI)	12.30%	9.71%	02/28/03	Volume 224
19.	SEMCO Energy Gas Company (MI)	11.40%	N/A	05/02/03	Volume 225
20.	Interstate Power and Light Company (IA)	11.05%	N/A	05/15/03	Volume 225

NOTE: N/A denotes that information is not available.

**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. 218-226, from October 2002 through August 2003**

(Statement is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns		Date Of Order (d)	Volume No. Public Utilities Reports (e)
		Common Equity (b)	Overall (c)		
Water Companies					
21.	Philadelphia Suburban Water Company (PA)	10.70%	8.77%	08/01/02	Volume 219
22.	Artesian Water Company, Inc. (DE)	10.50%	8.75%	04/15/03	Volume 225
23.	Valencia Water Company (CA)	9.72%	9.20%	05/08/03	Volume 225

Part III

Overviews of Selected Financial and Operational Data By Utility:

▣ *Electric Companies*

- *Carolina Power & Light Company, d/b/a
Progress Energy Carolinas, Inc.*
- *Dominion North Carolina Power*
- *Duke Power, a Division of Duke Energy Corporation*
- *Nantahala Power and Light Company*

▣ *Natural Gas Local Distribution Companies*

- *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*
- *LEXCOM Telephone Company*
- *MEBTEL Communications*
- *North State Communications*
- *Verizon South Inc.*

**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					Annual Growth Rate	
		March 2003 (b)	March 2002 (c)	March 2001 (d)	March 2000 (e)	March 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,604,412	\$2,377,348	\$2,375,562	\$2,281,038	\$2,260,245	3.61%	9.55%
2.	Operating Expenses:							
3.	Fuel	593,437	473,864	445,758	427,115	412,443	9.52%	25.23%
4.	Purchased Power	253,118	244,110	251,480	256,059	276,755	-2.21%	3.69%
5.	Maintenance	173,043	153,566	130,330	166,585	145,496	4.43%	12.68%
6.	Other Operating Expenses	411,788	369,604	391,358	369,950	328,122	5.84%	5.69%
7.	Total Operating Expenses	1,431,386	1,261,146	1,218,926	1,219,689	1,182,818	5.33%	13.50%
8.	Depreciation & Amortization	400,629	390,983	528,832	370,976	356,373	2.97%	2.47%
9.	Total Expenses & Depreciation	1,832,015	1,652,129	1,747,758	1,590,665	1,519,189	4.79%	10.89%
10.	Total Operating Taxes	370,479	327,775	306,370	335,191	348,619	1.53%	13.03%
11.	Total Expenses, Depr. & Taxes	2,202,494	1,979,904	2,054,128	1,925,856	1,867,808	4.21%	11.24%
12.	Operating Income	\$401,918	\$397,444	\$321,434	\$355,182	\$392,437	0.60%	1.13%
13.	Net Plant Investment	\$4,668,702	\$4,409,332	\$4,133,501	\$4,316,754	\$4,293,939	2.11%	5.88%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	54.98%	53.05%	51.31%	53.47%	51.45%	1.66%	3.60%
15.	Net Plt. Investment per \$ of Revenue	\$1.79	\$1.85	\$1.74	\$1.89	\$1.90	-1.48%	-3.24%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	1100	943	920	893	870	6.04%	16.65%
18.	Commercial	199	165	161	156	152	6.97%	20.61%
19.	Industrial	5	4	4	4	4	5.74%	25.00%
20.	Other	3	2	2	2	2	10.67%	50.00%
21.	Total Number of Customers	1307	1114	1087	1055	1028	6.19%	17.32%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	15,841	12,099	12,429	11,684	11,403	8.57%	30.93%
24.	Commercial	12,661	10,267	10,064	9,533	9,202	8.30%	23.32%
25.	Industrial	13,107	9,939	10,877	11,153	11,405	3.54%	31.87%
26.	Other	1,455	3,238	4,131	5,207	4,662	-25.26%	-55.06%
27.	Total Sales	43,084	35,543	37,501	37,577	36,672	4.10%	21.16%
<hr/>								
28.	Estimated Overall Rate of Return	9.08%	9.36%	8.05%	8.95%	10.03%	-2.46%	-2.99%
29.	Estimated Return on Common Equity	12.05%	12.04%	9.07%	10.89%	12.55%	-1.01%	0.08%
30.	Common Equity Ratio	50.11%	48.27%	50.57%	55.45%	56.91%	-3.13%	3.81%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.78	4.04	3.69	5.02	5.60	-3.88%	18.32%
<hr/>								
32.	LAST RATE CASE	Authorized Returns: Common Equity 12.75%, Overall 10.45%; Equity Ratio: 44.00%; Date of Order: 8-5-88						

Notes: [1] North Carolina retail jurisdictional revenue equates to 71% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.

**DOMINION NORTH CAROLINA POWER
SELECTED FINANCIAL AND OPERATIONAL DATA**
North Carolina Retail Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2003 (b)	March 2002 (c)	March 2001 (d)	March 2000 (e)	March 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$267,302	\$243,098	\$239,619	\$222,949	\$219,198	5.09%	9.96%
2.	Operating Expenses:							
3.	Fuel	42,382	46,657	35,617	32,766	27,771	11.15%	-9.16%
4.	Purchased Power	61,544	44,383	51,990	51,802	52,039	4.28%	38.67%
5.	Maintenance	0	0	0	0	12,671	N/A	N/A
6.	Other Operating Expenses	47,254	51,677	56,106	49,888	31,375	10.78%	-8.56%
7.	Total Operating Expenses	151,180	142,717	143,713	134,456	123,856	5.11%	5.93%
8.	Depreciation & Amortization	24,553	29,502	27,523	24,648	25,109	-0.56%	-16.78%
9.	Total Expenses & Depreciation	175,733	172,219	171,236	159,104	148,965	4.22%	2.04%
10.	Total Operating Taxes	40,715	33,208	29,400	27,700	30,434	7.55%	22.61%
11.	Total Expenses, Depr. & Taxes	216,448	205,425	200,636	186,804	179,399	4.81%	5.37%
12.	Operating Income	\$50,854	\$37,673	\$38,983	\$36,145	\$39,799	6.32%	34.99%
13.	Net Plant Investment	\$512,589	\$418,033	\$420,024	\$405,339	\$410,138	5.73%	22.62%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	56.56%	58.71%	59.98%	60.31%	56.50%	0.03%	-3.66%
15.	Net Plt. Investment per \$ of Revenue	\$1.92	\$1.72	\$1.75	\$1.82	\$1.87	0.66%	11.63%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	96	94	93	91	90	1.63%	2.13%
18.	Commercial	15	15	14	14	14	1.74%	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	113	111	109	107	106	1.61%	1.80%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,468	1,313	1,316	1,224	1,188	5.43%	11.81%
24.	Commercial	756	706	690	662	650	3.85%	7.08%
25.	Industrial	1,656	1,450	1,292	1,218	1,202	8.34%	14.21%
26.	Other	146	134	134	124	126	3.75%	8.96%
27.	Total Sales	4,026	3,603	3,432	3,228	3,166	6.19%	11.74%
<hr/>								
28.	Estimated Overall Rate of Return	11.04%	9.12%	9.64%	8.85%	9.65%	3.42%	21.05%
29.	Estimated Return on Common Equity	16.11%	12.16%	12.40%	10.76%	12.41%	6.74%	32.48%
30.	Common Equity Ratio	47.41%	46.66%	48.09%	48.18%	47.24%	0.09%	1.61%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.51	4.32	4.09	3.92	4.14	7.41%	27.55%
<hr/>								
32.	LAST RATE CASE	Authorized Returns: Common Equity 11.80%, Overall 9.48%; 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.

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

DUKE POWER, A DIVISION OF DUKE ENERGY CORPORATION
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2003 (b)	March 2002 (c)	March 2001 (d)	March 2000 (e)	March 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$3,452,299	\$3,188,674	\$3,216,534	\$3,052,173	\$2,990,417	3.66%	8.27%
2.	Operating Expenses:							
3.	Fuel	565,545	491,243	470,910	450,177	447,549	8.02%	15.13%
4.	Purchased Power	295,256	283,913	314,133	289,820	288,191	2.43%	4.00%
5.	Maintenance	383,658	309,415	287,321	280,230	285,214	7.69%	23.99%
6.	Other Operating Expenses	636,833	702,421	705,070	672,334	610,872	1.05%	-9.34%
7.	Total Operating Expenses	1,881,292	1,786,992	1,777,434	1,672,561	1,611,626	3.94%	5.28%
8.	Depreciation & Amortization	448,557	409,466	381,060	361,483	346,819	6.64%	9.55%
9.	Total Expenses & Depreciation	2,329,849	2,196,458	2,158,494	2,034,044	1,958,445	4.44%	6.07%
10.	Total Operating Taxes	480,108	457,618	487,584	466,013	489,206	-0.47%	4.91%
11.	Total Expenses, Depr. & Taxes	2,809,957	2,654,076	2,646,078	2,500,057	2,447,651	3.51%	5.87%
12.	Operating Income	\$642,342	\$534,588	\$570,456	\$552,118	\$542,766	4.30%	20.15%
13.	Net Plant Investment	\$6,941,319	\$6,546,276	\$6,543,820	\$6,230,098	\$6,051,224	3.49%	6.03%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	54.49%	56.04%	55.26%	54.80%	53.89%	0.28%	-2.77%
15.	Net Plt. Investment per \$ of Revenue	\$2.01	\$2.05	\$2.03	\$2.04	\$2.02	-0.12%	-1.95%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	1,357	1,358	1,324	1,293	1,262	1.83%	-0.07%
18.	Commercial	219	217	209	208	201	2.17%	0.92%
19.	Industrial	6	6	6	7	7	-3.78%	0.00%
20.	Other	9	8	8	8	7	6.48%	12.50%
21.	Total Number of Customers	1,591	1,589	1,547	1,514	1,477	1.88%	0.13%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	18,557	16,871	17,226	16,335	16,209	3.44%	9.99%
24.	Commercial	18,948	18,315	17,825	17,062	16,360	3.74%	3.46%
25.	Industrial	15,696	15,612	17,319	17,680	18,030	-3.41%	0.54%
26.	Other	224	220	236	230	221	0.34%	1.82%
27.	Total Sales	53,425	51,018	52,606	51,287	50,820	1.26%	4.72%
<hr/>								
28.	Estimated Overall Rate of Return	10.82%	9.25%	9.95%	9.99%	9.98%	2.04%	18.97%
29.	Estimated Return on Common Equity	14.48%	11.48%	12.13%	12.15%	12.38%	3.99%	26.13%
30.	Common Equity Ratio	57.43%	61.03%	57.34%	58.68%	55.20%	1.00%	-5.90%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.48	6.48	5.37	5.62	5.27	5.30%	0.00%
<hr/>								
32.	LAST RATE CASE	Authorized Returns: Common Equity 12.50%, Overall 10.44%; Equity Ratio: 49.82%; Date of Order: 11-12-91						

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] This schedule reflects certain revised data for 1999 - 2001, as provided by Duke Power.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2003 (b)	March 2002 (c)	March 2001 (d)	March 2000 (e)	March 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$78,567	\$72,932	\$72,462	\$66,913	\$65,226	4.77%	7.75%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	0	0	0	0	237	N/A	N/A
4.	Purchased Power - Regular	34,093	30,748	30,432	26,621	25,879	7.13%	10.89%
5.	Maintenance	7,011	5,966	5,938	5,002	5,103	8.27%	17.52%
6.	Other Operating Expenses	8,291	10,218	8,484	8,295	7,428	2.79%	-18.86%
7.	Total Operating Expenses	49,395	46,930	44,854	39,918	38,647	6.33%	5.25%
8.	Depreciation & Amortization	8,062	7,341	6,609	6,180	5,779	8.68%	9.82%
9.	Total Expenses & Depreciation	57,457	54,271	51,463	46,098	44,426	6.64%	5.87%
10.	Total Operating Taxes	9,251	7,316	8,582	9,141	9,264	-0.04%	26.45%
11.	Total Expenses, Depr. & Taxes	66,708	61,587	60,045	55,239	53,690	5.58%	8.32%
12.	Operating Income	\$11,879	\$11,345	\$12,417	\$11,674	\$11,536	0.74%	4.71%
13.	Net Plant Investment	\$188,973	\$173,014	\$164,468	\$144,985	\$140,137	7.76%	9.22%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	62.85%	64.35%	61.90%	59.66%	59.25%	1.49%	-2.33%
15.	Net Plt. Investment per \$ of Revenue	\$2.40	\$2.37	\$2.27	\$2.17	\$2.15	2.79%	1.27%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	58	57	55	54	52	2.77%	1.75%
18.	Commercial	7	7	7	7	6	3.93%	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	65	64	62	61	58	2.89%	1.56%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	586	546	560	516	485	4.31%	7.33%
24.	Commercial	423	385	380	357	346	5.15%	9.87%
25.	Industrial	118	116	134	140	137	-3.86%	1.72%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	1,129	1,049	1,076	1,015	980	3.60%	7.63%
<hr/>								
28.	Estimated Overall Rate of Return	6.96%	7.03%	8.38%	8.43%	8.80%	-5.70%	-1.00%
29.	Estimated Return on Common Equity	6.75%	6.90%	9.06%	9.23%	10.03%	-7.62%	-2.17%
30.	Common Equity Ratio	64.77%	61.50%	58.99%	55.96%	52.61%	5.34%	5.32%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.95	3.37	3.90	3.64	3.49	3.14%	17.21%
<hr/>								
32.	LAST RATE CASE	Authorized Returns: Common Equity 12.10%, Overall 10.32%; Equity Ratio: 56.11%; Date of Order: 6-18-93						

Notes: [1] North Carolina retail jurisdictional revenue equates to 97% 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.

NORTH CAROLINA NATURAL GAS CORPORATION
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts In Thousands)

Item (a)	12 Months Ended					Annual Growth Rate	
	March 2003 (b)	March 2002 (c)	March 2001 (d)	March 2000 (e)	March 1999 (f)	Four Year (g)	Current Year (h)
Operating Revenue:							
Residential	\$64,191	\$57,301	\$74,560	\$47,210	\$39,955	12.58%	12.02%
Commercial	42,455	40,722	51,463	30,853	26,834	12.15%	4.26%
Industrial	110,672	44,617	113,611	90,673	38,209	30.46%	148.05%
Public Authorities	1,946	2,032	2,488	1,534	1,414	8.31%	-4.23%
Resale	43,300	11,620	41,714	22,303	13,546	33.71%	272.63%
Other	106,533	112,620	114,590	24,492	30,505	36.70%	-5.40%
Total Operating Revenue	369,097	288,912	398,416	217,065	150,463	25.15%	37.26%
Cost of Gas	282,738	186,763	327,343	142,987	77,437	38.23%	51.37%
Margin	86,359	82,129	71,073	74,078	73,026	4.28%	5.15%
O & M Expenses	48,322	47,987	39,328	31,394	24,248	18.81%	0.70%
Other Deductions	24,920	25,009	27,554	26,058	28,716	-3.48%	-0.36%
Operating Income	\$13,117	\$9,133	\$4,191	\$16,626	\$20,082	-10.08%	43.62%
Net Plant Investment	\$390,701	\$350,468	\$113,275	\$228,964	\$212,819	16.40%	11.48%
Operating Exp. as a % of Margin	55.95%	58.43%	55.33%	42.38%	33.20%	13.94%	-4.24%
Net Plt. Investment per \$ of Margin	\$4.52	\$4.27	\$1.59	\$3.10	\$2.91	11.64%	5.85%
Gas Delivered in DTs:							
Residential	6,995	5,774	6,872	6,341	5,489	6.25%	21.15%
Commercial	5,828	5,090	5,897	5,485	4,977	4.03%	14.50%
Industrial	24,128	8,637	20,989	26,211	11,407	20.60%	179.36%
Public Authorities	263	235	290	262	264	-0.09%	11.91%
Resale	8,507	1,503	6,034	5,184	2,795	32.08%	466.00%
Other	24,208	33,467	14,445	14,271	29,525	-4.84%	-27.67%
Total DTs	69,929	54,706	54,527	57,734	54,457	6.45%	27.83%
Number of Customers:							
Residential	107	104	96	101	98	2.22%	2.88%
Commercial	15	14	14	14	14	1.74%	7.14%
Industrial	0	0	0	0	0	N/A	N/A
Public Authorities	4	4	4	4	4	0.00%	0.00%
Resale	58	56	44	51	49	4.31%	3.57%
Other	0	0	0	0	0	N/A	N/A
Total Number of Customers	184	178	158	170	185	2.78%	3.37%
Estimated Overall Rate of Return	3.54%	4.86%	7.32%	9.66%	10.45%	-23.71%	-27.16%
Estimated Return on Common Equity	0.76%	2.71%	7.70%	12.63%	12.21%	-50.05%	-71.96%
Common Equity Ratio	50.13%	48.27%	47.12%	52.20%	60.97%	-4.78%	3.85%
Estimated Pre-tax Interest Coverage Ratio (Times)	1.22	1.59	2.59	4.49	5.01	-29.75%	-23.27%

LAST RATE CASE Authorized Returns: Common Equity N/A, Overall 10.09%; 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.
[4] Data provided on Lines 33-36, Columns (b), (c), and (d), is based on calculations derived from use of Carolina Power & Light Company's capital structure. The acquisition of North Carolina Natural Gas Corporation by Carolina Power & Light Company was approved by the Commission on July 13, 1999.
[5] N/A denotes that data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2003 (b)	March 2002 (c)	March 2001 (d)	March 2000 (e)	March 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$310,161	\$236,945	\$303,595	\$202,076	\$171,992	15.88%	30.90%
3.	Commercial	139,660	114,473	161,657	107,125	86,790	12.63%	22.00%
4.	Industrial	39,382	35,080	119,533	88,575	73,389	-14.42%	12.27%
5.	Public Authorities	455	560	2,944	2,781	2,691	-35.88%	-18.75%
6.	Resale	9	3	0	0	0	N/A	200.00%
7.	Other	23,802	25,352	14,041	21,729	81,415	-28.47%	-6.11%
8.	Total Operating Revenue	513,449	412,393	601,770	422,286	416,277	5.38%	24.50%
9.	Cost of Gas	315,176	225,233	422,570	243,607	224,115	8.90%	39.93%
10.	Margin	198,273	187,160	179,200	178,679	192,162	0.79%	5.94%
11.	O & M Expenses	81,890	78,423	77,592	71,098	69,025	4.37%	4.42%
12.	Other Deductions	61,319	55,917	51,417	55,607	66,165	-1.88%	9.66%
13.	Operating Income	\$55,064	\$52,820	\$50,191	\$51,974	\$56,972	-0.85%	4.25%
14.	Net Plant Investment	\$651,119	\$608,869	\$585,697	\$556,105	\$507,189	6.45%	6.94%
15.	Operating Exp. as a % of Margin	41.30%	41.90%	43.30%	39.79%	35.92%	3.55%	-1.43%
16.	Net Plt. Investment per \$ of Margin	\$3.28	\$3.25	\$3.27	\$3.11	\$2.64	5.58%	0.92%
17.	Gas Delivered in DTs:							
18.	Residential	32,907	24,876	28,443	24,572	22,378	10.12%	32.28%
19.	Commercial	19,166	14,782	18,503	16,240	14,394	7.42%	29.66%
20.	Industrial	6,141	5,427	20,608	20,870	20,753	-26.25%	13.16%
21.	Public Authorities	58	67	303	396	424	-39.18%	-13.43%
22.	Resale	0	0	0	0	0	N/A	N/A
23.	Other	28,710	26,272	13,667	20,885	50,444	-13.14%	9.28%
24.	Total DTs	86,982	71,424	81,524	82,963	108,393	-5.35%	21.78%
25.	Number of Customers:							
26.	Residential	416	389	375	357	338	5.33%	6.94%
27.	Commercial	46	43	42	41	40	3.56%	6.98%
28.	Industrial	2	2	2	2	2	0.00%	0.00%
29.	Public Authorities	1	1	4	6	6	-36.11%	0.00%
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	465	435	423	406	386	4.77%	6.90%
33.	Estimated Overall Rate of Return	8.31%	8.86%	8.85%	10.11%	10.77%	-6.28%	-6.21%
34.	Estimated Return on Common Equity	9.04%	10.08%	9.91%	12.33%	13.25%	-9.12%	-10.32%
35.	Common Equity Ratio	53.86%	52.77%	50.85%	52.92%	54.01%	-0.07%	2.07%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.31	3.31	3.07	3.91	4.21	-5.84%	0.00%
37.	LAST RATE CASE	Authorized Returns: Common Equity 11.30%, Overall 9.70%; Equity Ratio: 52.71%; Date of Order: 10-5-00						

Notes: [1] North Carolina retail jurisdictional revenue equates to 46% of total company gas utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: Shareholders' reports and the NCUC GS-1 Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2003 (b)	March 2002 (c)	March 2001 (d)	March 2000 (e)	March 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$256,596	\$207,815	\$294,691	\$199,641	\$172,731	10.40%	23.47%
3.	Commercial	112,418	97,864	138,485	87,642	75,288	10.55%	15.11%
4.	Industrial	9,419	9,203	12,951	8,943	6,408	10.11%	2.35%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	8	8	5	0	0	N/A	0.00%
7.	Other	46,544	43,432	47,842	42,216	39,804	3.99%	7.17%
8.	Total Operating Revenue	424,985	358,122	493,974	338,442	294,211	9.63%	18.67%
9.	Cost of Gas	253,771	192,912	322,110	168,706	136,670	16.73%	31.55%
10.	Margin	171,214	165,210	171,864	169,736	157,541	2.10%	3.63%
11.	O & M Expenses	70,482	70,077	67,157	67,403	66,770	1.36%	0.58%
12.	Other Deductions	56,326	61,263	68,859	59,419	55,095	0.55%	-8.06%
13.	Operating Income	\$44,406	\$33,870	\$35,848	\$42,914	\$35,676	5.62%	31.11%
14.	Net Plant Investment	\$559,303	\$547,405	\$483,501	\$503,960	\$480,629	3.86%	2.17%
15.	Operating Exp. as a % of Margin	41.17%	42.42%	39.08%	39.71%	42.38%	-0.72%	-2.95%
16.	Net Plt. Investment per \$ of Margin	\$3.27	\$3.31	\$2.81	\$2.97	\$3.05	1.76%	-1.21%
17.	Gas Delivered in DTs:							
18.	Residential	25,613	20,527	25,114	22,033	19,254	7.40%	24.78%
19.	Commercial	14,586	12,279	14,760	13,264	11,812	5.42%	18.79%
20.	Industrial	1,499	1,410	1,536	1,653	1,219	5.31%	6.31%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22.	Resale	2	14	0	0	0	N/A	-85.71%
23.	Other	30,247	30,534	30,224	33,363	30,890	-0.52%	-0.94%
24.	Total DTs	71,947	64,764	71,634	70,313	63,175	3.30%	11.08%
25.	Number of Customers:							
26.	Residential	349	334	326	313	299	3.94%	4.49%
27.	Commercial	36	36	44	43	42	-3.78%	0.00%
28.	Industrial	0	0	2	2	2	N/A	N/A
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	385	370	372	358	343	2.93%	4.05%
33.	Estimated Overall Rate of Return	8.56%	9.01%	11.25%	11.13%	8.39%	0.50%	-4.99%
34.	Estimated Return on Common Equity	10.73%	10.86%	15.27%	15.12%	9.07%	4.29%	-1.20%
35.	Common Equity Ratio	47.90%	48.26%	48.52%	48.16%	49.15%	-0.64%	-0.75%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.47	3.26	4.16	4.11	2.81	5.42%	6.44%
37.	LAST RATE CASE	Authorized Returns: Common Equity 11.40%, Overall 9.82%; Equity Ratio: 51.91%; Date of Order: 10-30-98						

Notes: [1] Rates are set on a total company basis.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$74,072	\$73,312	\$69,848	\$63,217	\$63,267	4.02%	1.04%
3.	Network Access	22,093	25,599	24,875	21,166	20,200	2.26%	-13.70%
4.	Long Distance Message	4,340	4,380	5,035	5,643	5,498	-5.74%	-0.91%
5.	Miscellaneous	2,201	4,262	3,994	3,636	3,577	-11.43%	-48.36%
6.	Uncollectibles	(1,566)	(932)	(511)	(564)	(580)	28.19%	68.03%
7.	Total Operating Revenue	101,140	106,621	103,241	93,098	91,962	2.41%	-5.14%
8.	Operating Expenses	39,119	43,465	47,321	46,647	42,171	-1.86%	-10.00%
9.	Depreciation & Amortization	19,424	18,153	17,499	16,157	15,276	6.19%	7.00%
10.	Total Operating Taxes	15,773	17,046	14,894	11,879	13,434	4.09%	-7.47%
11.	Total Expenses, Depr. & Taxes	74,316	78,664	79,714	74,683	70,881	1.19%	-5.53%
12.	Other Operating (Income) & Expense	0	0	0	0	0	N/A	N/A
13.	Operating Income	\$26,824	\$27,957	\$23,527	\$18,415	\$21,081	6.21%	-4.05%
14.	Net Plant Investment	\$179,706	\$165,038	\$180,844	\$153,889	\$146,651	5.21%	8.89%
15.	Oper. Exp. as a % of Total Revenue	38.68%	40.77%	45.84%	50.11%	45.86%	-4.17%	-5.13%
16.	Net Plt. Investment per \$ of Revenue	\$1.78	\$1.55	\$1.56	\$1.65	\$1.59	2.86%	14.84%
17.	Local Access Lines:							
18.	Residential	180	181	178	169	158	3.31%	-0.55%
19.	Business	56	55	55	52	49	3.39%	1.82%
20.	Total Local Access Lines	236	236	233	221	207	3.33%	0.00%
21.	Total Access Lines:							
22.	Residential	180	181	178	169	158	3.31%	-0.55%
23.	Business	56	55	55	52	49	3.39%	1.82%
24.	Total Access Lines	236	236	233	221	207	3.33%	0.00%
25.	Estimated Overall Rate of Return	17.28%	18.59%	16.35%	13.52%	16.01%	1.93%	-7.05%
26.	Estimated Return on Common Equity	16.82%	18.90%	18.00%	14.90%	20.65%	-5.00%	-11.01%
27.	Common Equity Ratio	75.81%	72.31%	67.00%	65.39%	61.69%	5.29%	4.84%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.73	5.53	5.65	4.24	7.24	-5.68%	3.62%
29.	LAST RATE CASE	Authorized Returns: Common Equity 13.20%, Overall 10.33%; Equity Ratio: 42.11%; Date of Order: 11-25-86						

- Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 74% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports.
[4] ALLTEL Carolina, Inc. has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1998. The data for ALLTEL Carolina, Inc. included herein is updated annually beginning with the calendar year 1998.
[5] 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	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Growth Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$971,764	\$1,074,258	\$1,068,769	\$1,035,846	\$955,410	0.43%	-9.54%
3.	Network Access	53,847	99,455	115,247	144,537	158,061	-23.80%	-45.86%
4.	Long Distance Message	22,273	27,061	27,714	35,137	42,476	-14.90%	-17.69%
5.	Miscellaneous	76,756	75,050	66,812	58,366	47,596	12.69%	2.27%
6.	Uncollectibles	(21,867)	(20,163)	(10,093)	(9,102)	(6,300)	36.49%	8.45%
7.	Total Operating Revenue	1,102,773	1,255,661	1,268,249	1,264,784	1,197,243	-2.03%	-12.18%
8.	Operating Expenses	460,668	527,844	448,878	457,763	463,029	-0.13%	-12.73%
9.	Depreciation & Amortization	332,883	342,955	343,992	310,910	291,352	3.39%	-2.94%
10.	Total Operating Taxes	122,665	162,140	195,095	200,530	166,120	-7.30%	-24.35%
11.	Total Expenses, Depr. & Taxes	916,216	1,032,939	987,965	969,203	920,501	-0.12%	-11.30%
12.	Other Operating (Income) & Expense	(182)	(350)	(247)	46	(530)	N/A	-48.00%
13.	Operating Income	\$186,739	\$223,072	\$280,531	\$295,535	\$277,272	-9.41%	-16.29%
14.	Net Plant Investment	\$1,814,903	\$1,932,824	\$1,931,005	\$1,869,982	\$1,863,734	-0.66%	-6.10%
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	41.77%	42.04%	35.39%	36.19%	38.67%	1.95%	-0.64%
16.	Net Plt. Investment per \$ of Revenue	\$1.65	\$1.54	\$1.52	\$1.48	\$1.56	1.41%	7.14%
<hr/>								
17.	Local Access Lines:							
18.	Residential	1,572	1,664	1,690	1,667	1,600	-0.44%	-5.53%
19.	Business	735	767	705	694	686	1.74%	-4.17%
20.	Total Local Access Lines	2,307	2,431	2,395	2,361	2,286	0.23%	-5.10%
21.	Total Access Lines:							
22.	Residential	1,626	1,673	1,690	1,667	1,600	0.40%	-2.81%
23.	Business	736	769	714	698	690	1.63%	-4.29%
24.	Total Access Lines	2,362	2,442	2,404	2,365	2,290	0.78%	-3.28%
<hr/>								
25.	Estimated Overall Rate of Return	11.61%	13.38%	18.37%	18.37%	17.19%	-9.35%	-13.23%
26.	Estimated Return on Common Equity	16.34%	19.14%	27.75%	27.75%	25.24%	-10.30%	-14.63%
27.	Common Equity Ratio	58.65%	56.16%	55.12%	55.12%	57.55%	0.47%	4.43%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	8.96	7.78	9.08	9.08	9.30	-0.93%	15.17%
<hr/>								
29.	LAST RATE CASE	Authorized Returns: Common Equity 15.00%, Overall 12.51%; Equity Ratio: 54.80%; Date of Order: 11-9-84						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 69% 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.
[4] BellSouth Telecommunications, Inc. has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for BellSouth Telecommunications, Inc. included herein is updated annually beginning with the calendar year 1996.
[5] 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 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$414,413	\$420,406	\$411,137	\$392,091	\$360,990	3.51%	-1.43%
3.	Network Access	75,095	99,482	110,536	86,775	89,806	-4.32%	-24.51%
4.	Long Distance Message	10,746	12,892	18,286	24,172	24,436	-18.57%	-16.65%
5.	Miscellaneous	44,118	40,937	36,815	32,335	34,582	6.28%	7.77%
6.	Uncollectibles	(10,304)	(14,266)	(5,806)	(6,665)	(5,716)	15.87%	-27.77%
7.	Total Operating Revenue	<u>534,068</u>	<u>559,451</u>	<u>570,968</u>	<u>528,708</u>	<u>503,898</u>	1.46%	-4.54%
8.	Operating Expenses	263,327	256,998	247,280	281,128	259,881	0.33%	2.46%
9.	Depreciation & Amortization	143,738	136,568	143,427	134,968	129,667	2.61%	5.25%
10.	Total Operating Taxes	49,681	99,301	76,060	47,966	50,037	-0.18%	-28.31%
11.	Total Expenses, Depr. & Taxes	<u>456,746</u>	<u>462,867</u>	<u>466,767</u>	<u>464,062</u>	<u>439,585</u>	0.96%	-1.32%
12.	Operating Income	<u>\$77,322</u>	<u>\$96,584</u>	<u>\$104,201</u>	<u>\$64,646</u>	<u>\$64,313</u>	4.71%	-19.94%
13.	Net Plant Investment	<u>\$714,752</u>	<u>\$779,735</u>	<u>\$635,956</u>	<u>\$623,474</u>	<u>\$642,707</u>	2.69%	-8.33%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	49.31%	45.94%	43.31%	53.17%	51.57%	-1.12%	7.33%
15.	Net Plt. Investment per \$ of Revenue	\$1.34	\$1.39	\$1.11	\$1.18	\$1.28	1.21%	-3.98%
<hr/>								
16.	Local Access Lines:							
17.	Residential	896	910	917	881	844	1.51%	-1.54%
18.	Business	297	303	309	297	284	1.13%	-1.98%
19.	Total Local Access Lines	<u>1,193</u>	<u>1,213</u>	<u>1,226</u>	<u>1,178</u>	<u>1,128</u>	1.41%	-1.65%
20.	Total Access Lines:							
21.	Residential	896	910	917	881	844	1.51%	-1.54%
22.	Business	298	304	310	298	285	1.12%	-1.97%
23.	Total Access Lines	<u>1,194</u>	<u>1,214</u>	<u>1,227</u>	<u>1,179</u>	<u>1,129</u>	1.41%	-1.65%
<hr/>								
24.	Estimated Overall Rate of Return	14.62%	16.53%	17.81%	12.36%	11.69%	5.75%	-11.55%
25.	Estimated Return on Common Equity	21.26%	22.72%	25.05%	15.96%	15.10%	8.93%	-6.43%
26.	Common Equity Ratio	60.39%	63.21%	61.20%	62.08%	62.09%	-0.69%	-4.46%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	12.61	11.65	11.12	7.35	7.59	13.53%	8.24%
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 15.25%, Overall 11.82%; Equity Ratio: 48.40%; Date of Order: 3-30-83						

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.
[4] Carolina Telephone and Telegraph Company has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for Carolina Telephone and Telegraph Company included herein is updated annually beginning with the calendar year 1996.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$103,228	\$106,420	\$103,822	\$98,597	\$88,288	3.99%	-3.00%
3.	Network Access	16,839	26,534	22,930	19,271	19,093	-3.09%	-36.54%
4.	Long Distance Message	5,310	6,781	7,250	8,163	7,841	-9.28%	-21.69%
5.	Miscellaneous	6,863	6,421	9,691	11,183	12,488	-13.90%	6.88%
6.	Uncollectibles	(2,619)	(2,878)	(1,721)	(1,337)	(1,773)	10.24%	-9.00%
7.	Total Operating Revenue	129,621	143,278	141,972	135,877	125,937	0.72%	-9.53%
8.	Operating Expenses	65,788	70,844	71,274	77,567	70,236	-1.62%	-7.14%
9.	Depreciation & Amortization	26,791	25,644	24,167	23,066	21,629	5.50%	4.47%
10.	Total Operating Taxes	14,383	17,897	17,588	13,145	14,113	0.47%	-19.63%
11.	Total Expenses, Depr. & Taxes	106,962	114,385	113,029	113,778	105,978	0.23%	-6.49%
12.	Operating Income	\$22,659	\$28,893	\$28,943	\$22,099	\$19,959	3.22%	-21.58%
13.	Net Plant Investment	\$272,060	\$278,090	\$220,683	\$208,582	\$210,041	6.68%	-2.17%
14.	Oper. Exp. as a % of Total Revenue	50.75%	49.45%	50.20%	57.09%	55.77%	-2.33%	2.65%
15.	Net Plt. Investment per \$ of Revenue	\$2.10	\$1.94	\$1.55	\$1.54	\$1.67	5.92%	8.14%
16.	Local Access Lines:							
17.	Residential	202	207	210	204	196	0.76%	-2.42%
18.	Business	74	78	78	73	70	1.40%	-5.13%
19.	Total Local Access Lines	276	285	288	277	266	0.93%	-3.16%
20.	Total Access Lines:							
21.	Residential	202	207	210	204	196	0.76%	-2.42%
22.	Business	74	78	79	73	70	1.40%	-5.13%
23.	Total Access Lines	276	285	289	277	266	0.93%	-3.16%
24.	Estimated Overall Rate of Return	14.46%	17.63%	18.19%	13.92%	12.84%	3.02%	-17.98%
25.	Estimated Return on Common Equity	16.18%	20.06%	18.23%	13.57%	12.39%	6.90%	-19.34%
26.	Common Equity Ratio	79.14%	79.05%	90.50%	89.98%	89.13%	-2.93%	0.11%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	13.39	14.49	15.61	11.96	10.79	5.55%	-7.59%
28.	LAST RATE CASE	Authorized Returns: Common Equity 15.50%, Overall 12.09%; Equity Ratio: 48.30%; Date of Order: 6-22-83						

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.
[4] Central Telephone Company has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for Central Telephone Company included herein is updated annually beginning with the calendar year 1996.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2003 (b)	March 2002 (c)	March 2001 (d)	March 2000 (e)	March 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$5,741	\$5,684	\$5,361	\$4,807	\$4,672	5.29%	1.00%
3.	Network Access	4,596	3,613	3,093	3,830	3,634	6.05%	27.21%
4.	Long Distance Message	1,216	1,304	1,346	1,238	1,164	1.10%	-6.75%
5.	Miscellaneous	1,032	1,062	1,051	885	870	4.36%	-2.82%
6.	Uncollectibles	(17)	(20)	(13)	(12)	(19)	-2.74%	-15.00%
7.	Total Operating Revenue	<u>12,568</u>	<u>11,643</u>	<u>10,838</u>	<u>10,748</u>	<u>10,321</u>	<u>5.05%</u>	<u>7.94%</u>
8.	Operating Expenses	4,858	4,398	4,454	4,260	4,074	4.50%	10.46%
9.	Depreciation & Amortization	2,353	2,285	3,608	1,653	2,452	-1.03%	2.98%
10.	Total Operating Taxes	1,700	1,720	915	1,845	1,234	8.34%	-1.16%
11.	Total Expenses, Depr. & Taxes	<u>8,911</u>	<u>8,403</u>	<u>8,977</u>	<u>7,758</u>	<u>7,760</u>	<u>3.52%</u>	<u>6.05%</u>
12.	Operating Income	<u>\$3,657</u>	<u>\$3,240</u>	<u>\$1,861</u>	<u>\$2,990</u>	<u>\$2,561</u>	<u>9.31%</u>	<u>12.87%</u>
13.	Net Plant Investment	<u>\$24,773</u>	<u>\$23,685</u>	<u>\$21,653</u>	<u>\$20,528</u>	<u>\$18,723</u>	<u>7.25%</u>	<u>4.59%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	38.65%	37.77%	41.10%	39.64%	39.47%	-0.52%	2.33%
15.	Net Plt. Investment per \$ of Revenue	\$1.97	\$2.03	\$2.00	\$1.91	\$1.81	2.14%	-2.96%
<hr/>								
16.	Local Access Lines:							
17.	Residential	17	17	17	16	16	1.53%	0.00%
18.	Business	4	4	4	4	4	0.00%	0.00%
19.	Total Local Access Lines	<u>21</u>	<u>21</u>	<u>21</u>	<u>20</u>	<u>20</u>	<u>1.23%</u>	<u>0.00%</u>
20.	Total Access Lines:							
21.	Residential	17	17	17	16	16	1.53%	0.00%
22.	Business	4	4	4	4	4	0.00%	0.00%
23.	Total Access Lines	<u>21</u>	<u>21</u>	<u>21</u>	<u>20</u>	<u>20</u>	<u>1.23%</u>	<u>0.00%</u>
<hr/>								
24.	Estimated Overall Rate of Return	15.19%	13.95%	8.44%	15.76%	14.03%	2.01%	8.89%
25.	Estimated Return on Common Equity	18.10%	16.73%	8.54%	20.26%	18.08%	0.03%	8.19%
26.	Common Equity Ratio	69.85%	66.84%	64.98%	62.43%	59.01%	4.31%	4.50%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	8.55	7.25	4.13	7.25	5.67	10.81%	17.93%
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 12.70%, Overall 10.11%; Equity Ratio: 44.95%; Date of Order: 2-26-91						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 71% 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.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$44,633	\$45,386	\$42,387	\$38,190	\$35,129	6.17%	-1.66%
3.	Network Access	6,437	6,582	6,907	6,639	5,836	2.48%	-2.20%
4.	Long Distance Message	3,973	4,565	5,020	4,739	4,937	-5.29%	-12.97%
5.	Miscellaneous	7,806	7,035	7,736	7,264	6,970	2.87%	10.96%
6.	Uncollectibles	(836)	(270)	(241)	(178)	(73)	83.96%	209.63%
7.	Total Operating Revenue	62,013	63,298	61,809	56,654	52,799	4.10%	-2.03%
8.	Operating Expenses	28,413	29,255	29,087	28,107	27,025	1.26%	-2.88%
9.	Depreciation & Amortization	17,871	16,495	15,434	11,532	11,968	10.54%	8.34%
10.	Total Operating Taxes	6,887	8,133	7,996	7,810	6,544	1.29%	-15.32%
11.	Total Expenses, Depr. & Taxes	53,171	53,883	52,517	47,449	45,537	3.95%	-1.32%
12.	Operating Income	\$8,842	\$9,415	\$9,292	\$9,205	\$7,262	5.04%	-6.09%
13.	Net Plant Investment	\$69,878	\$73,965	\$73,143	\$64,987	\$60,644	3.61%	-5.53%
14.	Oper. Exp. as a % of Total Revenue	45.82%	46.22%	47.06%	49.61%	51.18%	-2.73%	-0.87%
15.	Net Plt. Investment per \$ of Revenue	\$1.13	\$1.17	\$1.18	\$1.15	\$1.15	-0.44%	-3.42%
16.	Local Access Lines:							
17.	Residential	89	91	91	88	84	1.46%	-2.20%
18.	Business	26	26	27	25	24	2.02%	0.00%
19.	Total Local Access Lines	115	117	118	113	108	1.58%	-1.71%
20.	Total Access Lines:							
21.	Residential	89	91	91	88	84	1.46%	-2.20%
22.	Business	26	26	27	25	24	2.02%	0.00%
23.	Total Access Lines	115	117	118	113	108	1.58%	-1.71%
24.	Estimated Overall Rate of Return	14.46%	14.53%	15.98%	18.12%	15.82%	-2.22%	-0.48%
25.	Estimated Return on Common Equity	18.42%	14.47%	19.24%	21.76%	18.21%	0.29%	27.30%
26.	Common Equity Ratio	69.15%	66.38%	71.44%	75.41%	78.06%	-2.98%	4.17%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	14.14	5.01	11.88	17.89	16.77	-4.17%	182.24%
28.	LAST RATE CASE	Authorized Returns: Common Equity 15.50%, Overall 12.11%; Equity Ratio: 58.59%; Date of Order: 6-17-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 74% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports.
[4] Concord Telephone Company has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1997. The data for Concord Telephone Company included herein is updated annually beginning with the calendar year 1997.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 2003 (b)	March 2002 (c)	March 2001 (d)	March 2000 (e)	March 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$13,565	\$14,187	\$12,463	\$12,026	\$10,770	5.94%	-4.38%
3.	Network Access	4,868	4,205	3,233	3,035	2,908	13.75%	15.77%
4.	Long Distance Message	317	328	357	437	491	-10.36%	-3.35%
5.	Miscellaneous	2,492	2,856	3,887	3,455	3,187	-5.96%	-12.75%
6.	Uncollectibles	(178)	(333)	(126)	(173)	(176)	0.28%	-46.55%
7.	Total Operating Revenue	21,064	21,243	19,814	18,780	17,180	5.23%	-0.84%
8.	Operating Expenses	7,988	7,468	7,621	8,375	9,401	-3.99%	6.96%
9.	Depreciation & Amortization	3,322	3,655	3,416	3,070	2,660	5.71%	-9.11%
10.	Total Operating Taxes	5,524	5,540	5,060	4,677	4,138	7.49%	-0.29%
11.	Total Expenses, Depr. & Taxes	16,834	16,663	16,097	16,122	16,199	0.97%	1.03%
12.	Operating Income	\$4,230	\$4,580	\$3,717	\$2,658	\$981	44.10%	-7.64%
13.	Net Plant Investment	\$37,613	\$38,466	\$37,941	\$36,306	\$34,506	2.18%	-2.22%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	37.92%	35.16%	38.46%	44.60%	54.72%	-8.76%	7.85%
15.	Net Plt. Investment per \$ of Revenue	\$1.79	\$1.81	\$1.91	\$1.93	\$2.01	-2.86%	-1.10%
<hr/>								
16.	Local Access Lines:							
17.	Residential	24	24	25	25	24	0.00%	0.00%
18.	Business	9	9	10	10	10	-2.60%	0.00%
19.	Total Local Access Lines	33	33	35	35	34	-0.74%	0.00%
20.	Total Access Lines:							
21.	Residential	24	24	25	25	24	0.00%	0.00%
22.	Business	9	9	11	10	10	-2.60%	0.00%
23.	Total Access Lines	33	33	36	35	34	-0.74%	0.00%
<hr/>								
24.	Estimated Overall Rate of Return	13.65%	12.57%	13.72%	9.30%	5.47%	25.69%	8.59%
25.	Estimated Return on Common Equity	13.85%	12.81%	14.07%	9.42%	5.22%	27.63%	8.12%
26.	Common Equity Ratio	96.60%	95.65%	94.31%	92.58%	90.10%	1.76%	0.99%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	112.73	87.09	60.63	41.53	27.93	41.74%	29.44%
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 16.25%, Overall 12.77%; Equity Ratio: 37.22%; Date of Order: 6-14-82						

Notes: [1] Rates are set on a total company basis.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports.

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 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$3,523	\$3,625	\$3,288	\$2,754	\$2,313	11.09%	-2.81%
3.	Network Access	3,919	4,105	4,105	3,717	3,106	5.98%	-4.53%
4.	Long Distance Message	358	365	454	739	819	-18.69%	-1.92%
5.	Miscellaneous	673	785	801	866	430	11.85%	-14.27%
6.	Uncollectibles	(31)	(60)	(38)	29	23	N/A	-48.33%
7.	Total Operating Revenue	<u>8,442</u>	<u>8,820</u>	<u>8,610</u>	<u>8,105</u>	<u>6,691</u>	<u>5.98%</u>	<u>-4.29%</u>
8.	Operating Expenses	4,665	4,240	4,694	4,970	4,943	-1.44%	10.02%
9.	Depreciation & Amortization	1,201	1,003	839	800	708	14.12%	19.74%
10.	Total Operating Taxes	1,096	1,479	1,074	802	303	37.91%	-25.90%
11.	Total Expenses, Depr. & Taxes	<u>6,962</u>	<u>6,722</u>	<u>6,607</u>	<u>6,572</u>	<u>5,954</u>	<u>3.99%</u>	<u>3.57%</u>
12.	Operating Income	<u>\$1,480</u>	<u>\$2,098</u>	<u>\$2,003</u>	<u>\$1,533</u>	<u>\$737</u>	<u>19.04%</u>	<u>-29.46%</u>
13.	Net Plant Investment	<u>\$10,895</u>	<u>\$10,808</u>	<u>\$8,554</u>	<u>\$8,631</u>	<u>\$7,684</u>	<u>9.12%</u>	<u>0.80%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	55.26%	48.07%	54.52%	61.32%	73.88%	-7.00%	14.96%
15.	Net Plt. Investment per \$ of Revenue	\$1.29	\$1.23	\$0.99	\$1.06	\$1.15	2.91%	4.88%
<hr/>								
16.	Local Access Lines:							
17.	Residential	9	9	9	9	8	2.99%	0.00%
18.	Business	3	3	3	3	2	10.67%	0.00%
19.	Total Local Access Lines	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>10</u>	<u>4.66%</u>	<u>0.00%</u>
20.	Total Access Lines:							
21.	Residential	9	9	9	9	8	2.99%	0.00%
22.	Business	3	3	3	3	2	10.67%	0.00%
23.	Total Access Lines	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>10</u>	<u>4.66%</u>	<u>0.00%</u>
<hr/>								
24.	Estimated Overall Rate of Return	13.85%	18.58%	19.04%	17.95%	10.06%	8.32%	-25.46%
25.	Estimated Return on Common Equity	13.85%	18.58%	22.37%	55.31%	12.74%	2.11%	-25.46%
26.	Common Equity Ratio	100.00%	100.00%	60.77%	23.07%	25.06%	41.34%	0.00%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	0.00	0.00	5.01	4.98	1.75	N/A	N/A
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 16.50%, Overall 5.92%; Equity Ratio:16.92%; Date of Order: 11-26-7						

Notes: [1] Rates are set on a total company basis.
[2] Net Plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports.
[4] MEBTEL Communications has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after September 30, 1999. The data for MEBTEL Communications included herein is updated annually beginning with the calendar year 2000.
[5] MEBTEL Communications was acquired by Madison River Communications, Inc. in January 1998.
[6] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

NORTH STATE COMMUNICATIONS
SELECTED FINANCIAL AND OPERATIONAL DATA
Total Company Utility Operations
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$34,637	\$36,436	\$35,238	\$32,620	\$28,996	4.54%	-4.94%
3.	Network Access	34,606	34,155	32,044	30,455	28,971	4.54%	1.32%
4.	Long Distance Message	2,053	2,099	2,046	1,933	2,170	-1.38%	-2.19%
5.	Miscellaneous	6,966	7,686	8,459	7,766	7,484	-1.78%	-9.37%
6.	Uncollectibles	(654)	(1,335)	(909)	(669)	(663)	-0.34%	-51.01%
7.	Total Operating Revenue	<u>77,608</u>	<u>79,041</u>	<u>76,878</u>	<u>72,105</u>	<u>66,958</u>	<u>3.76%</u>	<u>-1.81%</u>
8.	Operating Expenses	35,529	33,873	30,953	30,060	30,439	3.94%	4.89%
9.	Depreciation & Amortization	18,412	16,841	15,259	13,443	14,172	6.76%	9.33%
10.	Total Operating Taxes	<u>9,786</u>	<u>12,026</u>	<u>13,298</u>	<u>12,246</u>	<u>9,713</u>	<u>0.19%</u>	<u>-18.63%</u>
11.	Total Expenses, Depr. & Taxes	<u>63,727</u>	<u>62,740</u>	<u>59,510</u>	<u>55,749</u>	<u>54,324</u>	<u>4.07%</u>	<u>1.57%</u>
12.	Other Operating (Income) & Expense	(848)	(207)	(147)	(142)	(170)	49.45%	309.66%
13.	Operating Income	<u>\$14,729</u>	<u>\$16,508</u>	<u>\$17,515</u>	<u>\$16,498</u>	<u>\$12,804</u>	<u>3.58%</u>	<u>-10.78%</u>
14.	Net Plant Investment	<u>\$116.191</u>	<u>\$114.833</u>	<u>\$105.645</u>	<u>\$94.708</u>	<u>\$87.097</u>	<u>7.47%</u>	<u>1.18%</u>
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	45.78%	42.85%	40.26%	41.69%	45.46%	0.18%	6.83%
16.	Net Plt. Investment per \$ of Revenue	\$1.50	\$1.45	\$1.37	\$1.31	\$1.30	3.58%	3.05%
<hr/>								
17.	Local Access Lines:							
18.	Residential	84	86	88	86	83	0.30%	-2.33%
19.	Business	48	48	47	44	41	4.02%	0.00%
20.	Total Local Access Lines	<u>132</u>	<u>134</u>	<u>135</u>	<u>130</u>	<u>124</u>	<u>1.58%</u>	<u>-1.49%</u>
21.	Total Access Lines:							
22.	Residential	84	86	88	86	83	0.30%	-2.33%
23.	Business	48	48	48	44	41	4.02%	0.00%
24.	Total Access Lines	<u>132</u>	<u>134</u>	<u>136</u>	<u>130</u>	<u>124</u>	<u>1.58%</u>	<u>-1.49%</u>
<hr/>								
25.	Estimated Overall Rate of Return	13.42%	15.59%	18.30%	18.76%	15.78%	-3.97%	-13.92%
26.	Estimated Return on Common Equity	13.57%	15.83%	18.60%	19.20%	16.24%	-4.39%	-14.28%
27.	Common Equity Ratio	97.82%	97.60%	97.58%	96.37%	95.60%	0.58%	0.23%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	289.99	335.55	396.03	175.77	127.22	22.87%	-13.58%
<hr/>								
29.	LAST RATE CASE	Authorized Returns: Common Equity N/A, Overall 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.
[4] North State Communications has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after December 11, 2002. The data for North State Communications included herein is updated annually beginning with the calendar year 2003.
[5] N/A denotes that data is not available or not applicable or that information is, essentially, unmeaningful.

VERIZON SOUTH INC.
SELECTED FINANCIAL AND OPERATIONAL DATA
Merged North Carolina Intrastate Operations
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$126,401	\$131,605	\$133,595	\$123,017	\$117,728	1.79%	-3.95%
3.	Network Access	48,889	54,555	59,815	54,978	62,117	-5.81%	-10.39%
4.	Long Distance Message	3,336	4,710	4,758	5,229	6,204	-14.37%	-29.17%
5.	Miscellaneous	12,118	11,210	6,831	17,215	18,249	-9.73%	8.10%
6.	Uncollectibles	(7,416)	(4,041)	(3,436)	(3,206)	(3,743)	18.64%	83.52%
7.	Total Operating Revenue	183,328	199,039	201,363	197,231	200,555	-2.22%	-7.43%
8.	Operating Expenses	98,428	99,913	111,257	93,150	100,685	-0.57%	-1.49%
9.	Depreciation & Amortization	53,259	54,413	76,742	72,622	69,858	-8.56%	-2.12%
10.	Total Operating Taxes	10,156	15,578	4,435	14,374	9,108	2.76%	-34.81%
11.	Total Expenses, Depr. & Taxes	161,843	169,904	192,434	180,146	179,651	-2.58%	-4.74%
12.	Other Operating (Income) & Expense	(5)	(538)	(44)	119	60	N/A	-99.07%
13.	Operating Income	\$21,490	\$28,673	\$8,973	\$16,966	\$20,844	0.77%	-25.05%
14.	Net Plant Investment	\$326,152	\$433,500	\$326,447	\$331,867	\$340,952	-1.10%	-24.76%
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	53.69%	50.45%	55.25%	47.23%	50.20%	1.69%	6.42%
16.	Net Plt. Investment per \$ of Revenue	\$1.78	\$2.19	\$1.62	\$1.68	\$1.70	1.14%	-18.73%
<hr/>								
17.	Local Access Lines:							
18.	Residential	251	253	252	244	231	2.10%	-0.79%
19.	Business	128	124	141	141	132	-0.77%	3.23%
20.	Total Local Access Lines	379	377	393	385	363	1.08%	0.53%
21.	Total Access Lines:							
22.	Residential	251	253	252	244	231	2.10%	-0.79%
23.	Business	333	312	322	251	214	11.69%	6.73%
24.	Total Access Lines	584	565	574	495	445	7.03%	3.36%
<hr/>								
25.	Estimated Overall Rate of Return	7.60%	10.02%	2.68%	6.46%	6.74%	3.05%	-24.15%
26.	Estimated Return on Common Equity	7.39%	13.54%	-1.99%	4.36%	4.50%	13.20%	-45.42%
27.	Common Equity Ratio	44.56%	50.21%	52.45%	55.81%	60.56%	-7.38%	-11.25%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.13	4.23	0.26	2.23	1.81	4.15%	-49.65%
<hr/>								
29.	LAST RATE CASE	Authorized Returns: Common Equity 13.90%, Overall 11.82%; Equity Ratio: 50.00%; Date of Order: 9-16-86						

- Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 67% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Verizon South Inc., formerly known as GTE South Incorporated, has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for Verizon South Inc. included herein is updated annually beginning with the calendar year 1996.
[4] On June 30, 2000, by amendment of its articles of incorporation, the name of GTE South Incorporated was changed to Verizon South Inc. as a result of the merger between GTE Corporation and Bell Atlantic Corporation, effective August 1, 2000.
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

Quarterly Review Distribution List

Chief Clerk

Geneva Thigpen (1 copy)

Commission Staff

Bob Bennink (6 copies)
Don Hoover (11 copies)
Debbie Holder (3 copies)

Public Staff

Robert Gruber,
Executive Director (1 copy)
Nat Carpenter (1 copy)
Bill Carter (9 copies)
Jeff Davis (1 copy)
Tom Farmer (3 copies)
Andy Lee (1 copy)
Carol Stahl (1 copy)
Ben Turner (1 copy)
Antoinette Wike (2 copies)

Attorney General's Office

Margaret Force

Others

Len S. Anthony
Carolina Power & Light Company
d/b/a Progress Energy Carolinas, Inc.
P. O. Box 1551, PEB 17A4
Raleigh, North Carolina 27602

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

Johnny Bailey
North Carolina Department of Revenue
Ad Valorem Tax Division
501 N. Wilmington Street
Raleigh, North Carolina 27640

Bruce P. Barkley
Progress Energy Service Company, LLC
412 South Wilmington St., OHS 5A4
Raleigh, North Carolina 27601

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

Joe W. Foster
Verizon South Inc.
4100 N. Roxboro Road
Durham, North Carolina 27704

Mr. Bob Fountain, Director
Regulatory Accounting & Administration
SCANA Corporation
Columbia, South Carolina 29218

Lisa Fowler, Assistant Controller
Duke Power PB 2MC
422 South Church Street
Charlotte, North Carolina 28202-1904

Barry L. Guy, V.P. & Controller
Piedmont Natural Gas Company
P. O. Box 33068
Charlotte, North Carolina 28233

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

Don Hathcock
BellSouth
P. O. Box 30188
Charlotte, North Carolina 28230

Fredrick W. Hering
North Carolina Natural Gas Corporation
P. O. Box 1551 - CPB 18
Raleigh, North Carolina 27602

John Hogshire
MEBTEL Communications
P. O. Box 9
Mebane, North Carolina 27302

William McAulay
Public Service Company
1312 Annapolis Dr., Ste. 200
Raleigh, North Carolina 27608

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

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

Sharon Miller
CUCA
5811 Glenwood Avenue #204
Raleigh, North Carolina 27612-6260

Steve Parrott
Carolina Telephone
14111 Capital Boulevard
Wake Forest, North Carolina 27587

Richard Reese, President
LEXCOM Telephone Company
P. O. Box 808
Lexington, North Carolina 27293-0808

C. A. Stadelmeier
Dominion North Carolina Power
P. O. Box 26666
Richmond, Virginia 23261

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

Samuel M. Taylor
Womble, Carlyle, Sandridge
& Rice, P.L.L.C.
2100 First Union Capitol Center
150 Fayetteville Street Mall
P. O. Box 831
Raleigh, North Carolina 27602

Royster M. Tucker, Jr.
North State Communications
P. O. Box 2326
High Point, North Carolina 27261

Jerry Weikle
Concord Telephone Company
P. O. Box 227
Concord, North Carolina 28026-0227

Bob Wells
North Carolina Telephone Alliance
3737 Glenwood Avenue
Suite 100
Raleigh, North Carolina 27612

James P. West, Esquire
West Law Offices, P.C.
Suite 1735
Two Hannover Square
434 Fayetteville Street Mall
P. O. Box 1568
Raleigh, North Carolina 27602

Veronica Williams, Manager
Regulatory Accounting
Duke Power PB 02-L
422 South Church Street
Charlotte, North Carolina 28202-1904