

"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***
- ***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 September 30, 2004*** ■



State of North Carolina

Utilities Commission

4325 Mail Service Center
Raleigh, NC 27699-4325

May 23, 2005

COMMISSIONERS
JO ANNE SANFORD, Chair
J. RICHARD CONDER
ROBERT V. OWENS, JR.

COMMISSIONERS
SAM J. ERVIN, IV
LORINZO L. JOYNER
JAMES Y. KERR, II
HOWARD N. LEE

MEMORANDUM

TO: Chairman Jo Anne Sanford
Commissioner J. Richard Conder
Commissioner Robert V. Owens, Jr.
Commissioner Sam J. Ervin, IV
Commissioner Lorinzo L. Joyner
Commissioner James Y. Kerr, II
Commissioner Howard N. Lee

FROM: Donald R. Hoover, Director *DH*
Operations Division

The Operations Division hereby presents for your consideration the *Quarterly Review* for the calendar quarter ending September 30, 2004. Such report, which has been prepared by the Operations Division, presents an overview of selected financial and operational information and data for 17 major investor-owned public utilities regulated by the Commission.

In this Report, four revisions have been reflected in the amounts previously reported in the September 30, 2003 issue of the *Quarterly Review*. Two of these revisions relate to the 12-month period ending September 30, 2003, one revision relates to the 12-month period ending September 30, 2002, and the other revision relates to the 12-month period ending September 30, 2001. These revisions provide corrected information for Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. (Progress Energy), Piedmont Natural Gas Company, Inc. (Piedmont), and Public Service Company of North Carolina, Inc. (Public Service). These adjustments were necessary to provide a proper comparison with the other years presented in this report.

The first two revisions concern Progress Energy's information, as previously reported for the 12-month periods ending September 30, 2003 and September 30, 2002. Hereinafter, on Page 15, Columns (c) and (d), Line 8, depreciation and amortization expense have been revised to include the correct amount of amortization as included by the Company in its ES-1 Reports for the 12-month periods ending September 30, 2003 and September 30, 2002. In compiling earlier reports, incorrect information was inadvertently included in the present regard. However, although the corrections to depreciation and amortization expense result in higher levels of operating income presented on Page 15, Columns (c) and (d), Line 12 for Progress Energy for the 12-month periods ending September 30, 2003 and September 30, 2002, the additional earnings data presented on Page 15, Columns (c) and (d),

Lines 28, 29, and 32 were previously calculated and published utilizing the correct amount of depreciation and amortization expense.

The third revision pertains to Piedmont's information for the 12-month period ending September 30, 2001, as previously reported in the September 30, 2003 issue of the *Quarterly Review*. Hereinafter, on Page 20, Column (e), Lines 33-35 and 37 have been restated to correct an oversight which had previously resulted from our inclusion of amounts for the 12-month period ending June 30, 2001, rather than for the 12-month period ending September 30, 2001.

The fourth and final revision relates to Public Service's information for the 12-month period ending September 30, 2003, as previously reported in the September 30, 2003 issue of the *Quarterly Review*. Hereinafter, on Page 21, Column (c), Line 37, the estimated pre-tax interest coverage ratio has been revised to correct an oversight in the earlier calculation of that ratio.

Should you have questions concerning the report, Freda Hilburn, Barbara Sharpe-Unruh, or I will be pleased to be of assistance.

Thank you for your consideration.

DRH/FHH/dhh

Table of Contents

<i>Part</i>		<i>Page</i>
I	<i>Introduction</i>	1
II	<i>Review of Key Financial Ratios:</i>	7
	■ <i>Summary Statement of Key Financial Ratios For 17 Selected Companies For The Twelve Months Ended September 30, 2004 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Debt Ratios — And Certain Rate Case Data</i>	8
	■ <i>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. 231-236, from March 2004 Through December 2004</i>	12
III	<i>Overviews of Selected Financial and Operational Data By Utility:</i>	14
	■ <i>Electric Companies:</i>	
	■ <i>Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.</i>	15
	■ <i>Dominion North Carolina Power</i>	16
	■ <i>Duke Power, a Division of Duke Energy Corporation</i>	17
	■ <i>Nantahala Power and Light Company</i>	18
	■ <i>Natural Gas Local Distribution Companies:</i>	
	■ <i>North Carolina Natural Gas</i>	19
	■ <i>Piedmont Natural Gas Company, Inc.</i>	20
	■ <i>Public Service Company of North Carolina, Inc.</i>	21
	■ <i>Telecommunications Companies:</i>	
	■ <i>ALLTEL Carolina, Inc.</i>	22
	■ <i>BellSouth Telecommunications, Inc.</i>	23
	■ <i>Carolina Telephone and Telegraph Company</i>	24
	■ <i>Central Telephone Company</i>	25

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>26</i>
	■ <i>Concord Telephone Company</i>	<i>27</i>
	■ <i>LEXCOM Telephone Company</i>	<i>28</i>
	■ <i>MEBTEL Communications</i>	<i>29</i>
	■ <i>North State Communications</i>	<i>30</i>
	■ <i>Verizon South Inc.</i>	<i>31</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, except for the eight price regulated telephone companies for which only one year of data is presented. From a general viewpoint, the individual company overviews, excluding to a certain extent those of the price regulated telephone companies, for which information is strictly limited, provide information that users of this report will find helpful from the standpoint of gaining insight into each company's jurisdictional financial standing and in acquiring a sense of the magnitude of each company's overall jurisdictional economic dimension.

Significant changes have taken place with regard to reporting requirements for the price regulated telephone companies, effective for reporting periods beginning with calendar year 2003, as a result of further relaxed regulation of the telecommunications industry. Due to these changes, the financial and operational data submitted to the Commission by such companies are significantly less comprehensive than that previously provided. In consideration of the foregoing and to accommodate the new format in which data for the price regulated telephone companies will now be presented, data for years prior to 2003 are not included herein for the price regulated telephone companies.

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

longer provided. Further, the information provided by six¹ of the eight price regulated telephone companies is presented on a total North Carolina combined basis, including both their regulated and nonregulated operations, as that is what is now being provided to the Commission. The information provided by the other two² price regulated telephone companies is presented, as provided by those two companies, on the basis of their respective North Carolina regulated operations.

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.

¹ The six companies are ALLTEL Carolina, Inc., BellSouth Telecommunications, Inc., Carolina Telephone and Telegraph Company, Central Telephone Company, Concord Telephone Company, and Verizon South, Inc.

² The two companies are MEBTEL Communications and North State Communications.

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 September 30, 2004 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Debt Ratios — And Certain Rate Case Data***

- ***Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By Public Utilities Reports. Volume Nos. 231-236 from March 2004 Through December 2004***

Summary Statement
Of Key Financial Ratios Achieved By
And Authorized For Selected Companies

"Estimated Returns on Common Equity, Overall Rates of Return,
Common Equity Capitalization Ratios, and Debt Ratios are for Twelve Months Ended September 30, 2004,
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 9/30/04				Authorized - Last Rate Case			
		Return On Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Debt Ratio (e)	Return On Equity (f)	Overall Rate of Return (g)	Equity Ratio (h)	Date of Last Order (i)
Electric Companies									
1.	Carolina Power & Light Company	11.36%	8.64%	50.46%	48.64%	12.75%	10.45%	44.00%	08/05/1988
2.	Dominion North Carolina Power	11.17%	8.25%	47.60%	48.88%	11.80%	9.48%	44.82%	02/26/1993
3.	Duke Power, a Division of Duke Energy Corporation	12.87%	9.31%	54.42%	44.08%	12.50%	10.44%	49.82%	11/12/1991
4.	Nantahala Power and Light Company	8.83%	8.14%	54.42%	44.08%	12.10%	10.32%	56.11%	06/18/1993
Natural Gas Local Distribution Companies									
5.	North Carolina Natural Gas Corporation	6.26%	6.51%	54.61%	45.39%	11.00%	9.27%	51.14%	10/30/2003
6.	Piedmont Natural Gas Company, Inc.	11.31%	9.31%	54.47%	45.53%	11.30%	9.70%	52.71%	10/05/2000
7.	Public Service Company of North Carolina, Inc.	10.14%	8.27%	49.64%	50.36%	11.40%	9.82%	51.91%	10/30/1998
Telecommunications Companies									
Rate of Return Regulated Companies									
8.	Citizens Telephone Company	10.58%	10.02%	73.40%	26.60%	12.70%	10.11%	44.95%	02/26/1991
9.	LEXCOM Telephone Company	12.91%	12.83%	97.41%	2.59%	16.25%	12.77%	37.22%	06/14/1982
Price Plan Regulated Companies									
10.	ALLTEL Carolina, Inc.	--- Data is not available. See Note [1] ---							
11.	BellSouth Telecommunications, Inc.	--- Data is not available. See Note [1] ---							
12.	Carolina Telephone and Telegraph Company	--- Data is not available. See Note [1] ---							
13.	Central Telephone Company	--- Data is not available. See Note [1] ---							
14.	Concord Telephone Company	--- Data is not available. See Note [1] ---							
15.	MEBTEL Communications	--- Data is not available. See Note [1] ---							
16.	North State Communications	--- Data is not available. See Note [1] ---							
17.	Verizon South, Inc.	--- Data is not available. See Note [1] ---							

NOTE:

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

**Summary Statement
Of Key Financial Ratios Achieved by
And Authorized for Selected Companies**

"Estimated Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Debt Ratios are for
Twelve Months Ended September 30, 2004, Except for Certain Telecommunications Companies - See Note [1]"

NOTES - continued

NOTES: [2] In 2004, Standard & Poor's Rating Services assigned new business profile scores to U.S. utility and power companies including investor-owned electric, natural gas, and water utilities in the U.S. and excluding telecommunications utilities, to better reflect the relative business risk among companies in the U.S. utility and power companies sector. The business profile scores assess the qualitative attributes of a company, with "1" being considered lowest risk and "10" highest risk. As of June 2004 the overall median business profile score is "5". The range was 2 to 7 for the six utilities which are, in part, regulated by the North Carolina Utilities Commission included in the June 2004 article published by Standard & Poor's.

For most companies in this sector, business profile scores are assessed using five categories; specifically, "regulation, markets, operations, competitiveness, and management". The emphasis placed on each category may be influenced by the dominant strategy of the company or other factors. For example, for a regulated transmission and distribution company, regulation may account for 30% to 40% of the business profile score because regulation can be the single-most important credit driver for this type of company. Conversely, competition, which may not exist for a transmission and distribution company, would provide a much lower proportion (e.g., 5% to 15%) of the business profile.

In 2004, Standard & Poor's also revised the key financial guidelines that it uses as an integral part of evaluating the credit quality of U.S. utility and power companies. The financial guidelines for three principal ratios: (1) funds from operations interest coverage, (2) funds from operations to total debt, and (3) total debt to total capital were broadened to be more flexible; and pretax interest coverage as a key credit ratio was eliminated. The rating analysis performed by Standard & Poor's not only takes into account these three financial ratios and other financial ratios that do not have published guidelines for each rating category; but it is also influenced by other factors, including (1) effectiveness of liability and liquidity management, (2) analysis of internal funding sources, (3) return on invested capital, (4) the record of execution of stated business strategies, (5) accuracy of projected performance versus actual results, as well as the trend, (6) assessment of management's financial policies and attitude toward credit, and (7) corporate governance practices.

The published guidelines, as of June 2004, for the three aforementioned financial ratios are, according to Standard & Poor's, only guidelines associated with expectations for various rating levels. Such guidelines, for business profiles 1-10 are set forth below:

Funds from operations/interest coverage (x)

Business Profile*	AA		A		BBB		BB	
1	3	2.5	2.5	1.5	1.5	1		
2	4	3	3	2	2	1		
3	4.5	3.5	3.5	2.5	2.5	1.5	1.5	1
4	5	4.2	4.2	3.5	3.5	2.5	2.5	1.5
5	5.5	4.5	4.5	3.8	3.8	2.8	2.8	1.8
6	6	5.2	5.2	4.2	4.2	3	3	2
7	8	6.5	6.5	4.5	4.5	3.2	3.2	2.2
8	10	7.5	7.5	5.5	5.5	3.5	3.5	2.5
9			10	7	7	4	4	2.8
10			11	8	8	5	5	3

*See Standard & Poor's Rating Services' publications for explanation of this score.

Funds from operations/total debt (%)

Business Profile*	AA		A		BBB		BB	
1	20	15	15	10	10	5		
2	25	20	20	12	12	8		
3	30	25	25	15	15	10	10	5
4	35	28	28	20	20	12	12	8
5	40	30	30	22	22	15	15	10
6	45	35	35	28	28	18	18	12
7	55	45	45	30	30	20	20	15
8	70	55	55	40	40	25	25	15
9			65	45	45	30	30	20
10			70	55	55	40	40	25

*See Standard & Poor's Rating Services' publications for explanation of this score.

Summary Statement
Of Key Financial Ratios Achieved by
And Authorized for Selected Companies

"Estimated Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Debt Ratios are for
Twelve Months Ended September 30, 2004, Except for Certain Telecommunications Companies - See Note [1]"

NOTES - continued

NOTES: Total debt/total capital (%):

Business Profile*	AA		A		BBB		BB	
1	48	55	55	60	60	70		
2	45	52	52	58	58	68		
3	42	50	50	55	55	65	65	70
4	38	45	45	52	52	62	62	68
5	35	42	42	50	50	60	60	65
6	32	40	40	48	48	58	58	62
7	30	38	38	45	45	55	55	60
8	25	35	35	42	42	52	52	58
9			32	40	40	50	50	55
10			25	35	35	48	48	52

*See Standard & Poor's Ratings Services' publications for explanation of this score.

[3] Selected financial market indicators from "Moody's Credit Perspectives", Volume 98, No. 9, February 28, 2005 follow:

Part I

Line No.	Date	U.S. Treasury Securities			Dealer-Placed 3-Month CP %	Moody's Long-Term Corporate Bond Yield %
		3-Month Bill %	10-Year Note %	30-Year Bond %		
	(a)	(b)	(c)	(d)	(e)	(f)
1.	February 18, 2005	2.59	4.27	4.65	2.75	5.64
2.	February 21, 2005	n/a	n/a	n/a	n/a	n/a
3.	February 22, 2005	2.65	4.29	4.68	2.75	5.67
4.	February 23, 2005	2.67	4.27	4.66	2.73	5.64
5.	February 24, 2005	2.68	4.28	4.66	2.75	5.65
6.	Month of January 2005	2.32	4.20	4.73	2.56	5.72
7.	Month of December 2004	2.18	4.21	4.86	2.38	5.84

Part II

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

Line No.	Rating	02/24/05	Past 12-Months		Monthlv	
			High	Low	Jan. 2005	Dec. 2004
	(a)	(b)	(c)	(d)	(e)	(f)
1.	Aaa	-	-	-	-	-
2.	Aa	5.64	6.66	5.68	5.68	5.78
3.	A	5.72	6.62	5.78	5.78	5.92

[4] According to "Moody's Credit Perspectives", Volume 98, No. 9 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 Debt Ratios are for
Twelve Months Ended September 30, 2004, Except for Certain Telecommunications Companies - See Note [1]”

NOTES - continued

NOTES: [5] Selected financial market indicators from "Moody's Credit Perspectives", Volume 98, No. 9, February 28, 2005 follow
- continued:

Part III

New offerings by public utilities – listing is all inclusive for week of February 28, 2005:

<u>Line No.</u>	<u>Company Name</u> (a)	<u>Amount</u> (b)	<u>Term</u> (c)	<u>Current</u> (d)	<u>Yield</u>		<u>Rating</u> (f)
					<u>Maturity</u> (e)		
1.	Cincinnati Bell, Inc.	\$250 Million	10 Years	7.000%	7.000%		B1
2.	Cincinnati Bell, Inc.	\$100 Million	9 Years	8.375%	-		B3
3.	Detroit Edison Company (The)	\$200 Million	10 Years	4.800%	-		A3
4.	Detroit Edison Company (The)	\$200 Million	30 Years	5.450%	-		A3
5.	Time Warner Telecom Holdings, Inc.	\$200 Million	9 Years	9.250%	-		B2
6.	Southern Union Company	\$100 Million	3 Years	5.000%	-		Baa3
7.	Valor Telecommunications Enterprise, LLC	\$400 Million	10 Years	7.750%	7.750%		B1
8.	CenturyTel, Inc.	\$350 Million	10 Years	5.000%	5.130%		Baa2
9.	Ameren Corporation	\$345 Million	2 Years	4.263%	3.880%		A3
10.	Holly Energy Partners, L.P.	\$150 Million	10 Years	6.250%	6.250%		Ba3
11.	Enterprise Products Operating L.P.	\$250 Million	10 Years	5.000%	5.850%		Baa3
12.	Enterprise Products Operating L.P.	\$250 Million	30 Years	5.750%	5.080%		Baa3
13.	Enbridge Inc.	\$300 Million	10 Years	4.900%	-		-

**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. 231-236, from March 2004 through December 2004**

(Statement Is All Inclusive With Respect To Returns Published)

<u>Line No.</u>	<u>Company (Jurisdiction)</u> (a)	<u>Authorized Returns</u> <u>Common Equity</u> (b)	<u>Overall</u> (c)	<u>Date Of Order</u> (d)	<u>Volume No. Public Utilities Reports</u> (e)
<i>Electric Companies</i>					
1.	Pacific Corp. (WY)	10.75%	8.42%	02/28/04	Volume 232
2.	Idaho Power Company (ID)	10.25%	7.85%	05/25/04	Volume 233
3.	PSI Energy, Inc. (IN)	10.50%	7.30%	05/18/04	Volume 234
4.	Kentucky Utilities Company (KY)	10 - 11%	N/A	06/30/04	Volume 234
5.	Pacific Corp., d/b/a Pacific Power and Light Co. (WA)	N/A	8.39%	10/27/04	Volume 236
6.	Avista Corporation (ID)	10.40%	9.25%	10/08/04	Volume 236
<i>Natural Gas Local Distribution Companies</i>					
7.	Delmarva Power and Light Company, d/b/a Conectiv Power Delivery (DE)	10.50%	7.81%	12/09/03	Volume 231
8.	City Gas Company of Florida (FL)	11.25%	7.36%	02/09/04	Volume 231
9.	Southwest Gas Corp. (CA)	10.90%	9.17%	03/16/04	Volume 232
10.	South Jersey Gas Company (NJ)	10.00%	7.97%	07/08/04	Volume 234
11.	Indiantown Gas Company (FL)	11.50%	N/A	06/02/04	Volume 234
12.	Missouri Gas Energy, a Division of Southern Union Co. (MO)	10.50%	N/A	10/02/04	Volume 235
13.	Southern Indiana Gas and Electric Company, Inc., d/b/a Vectren Energy Delivery of Indiana, Inc. (IN)	10.50%	7.41%	06/30/04	Volume 236
14.	Southwest Gas Corporation (NV)	10.50%	N/A	08/26/04	Volume 236
15.	South Beloit Water, Gas, and Electric Company (IL)	9.87%	8.41%	10/06/04	Volume 236
16.	Avista Corporation (ID)	10.40%	9.25%	10/08/04	Volume 236
17.	Chattanooga Gas Company (TN)	10.20%	7.43%	10/20/04	Volume 236

**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. 231-236, from March 2004 through December 2004**

(Statement Is All Inclusive With Respect To Returns Published)

<u>Line No.</u>	<u>Company (Jurisdiction)</u> (a)	<u>Authorized Returns</u> <u>Common Equity</u> (b)	<u>Overall</u> (c)	<u>Date Of Order</u> (d)	<u>Volume No.</u> <u>Public Utilities Reports</u> (e)
Water Companies					
18.	Pennsylvania-American Water Company (PA)	10.60%	8.05%	01/29/04	Volume 231
19.	West Virginia-American Water Company (WV)	7.00%	6.63%	01/02/04	Volume 231
20.	Rural Water Company (CT)	15.00%	N/A	01/02/04	Volume 232
21.	Aqua Pennsylvania, Inc. (PA)	10.60%	8.57%	08/05/04	Volume 236
22.	South Beloit Water, Gas, and Electric Company (IL)	9.64%	8.39%	10/06/04	Volume 236

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, 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***
 - ***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	
		September 2004 (b)	September 2003 (c)	September 2002 (d)	September 2001 (e)	September 2000 (f)	Growth Year (g)	Rate Current Year (h)
1.	Operating Revenue	\$2,585,101	\$2,575,719	\$2,462,574	\$2,427,995	\$2,274,372	3.25%	0.36%
2.	Operating Expenses:							
3.	Fuel	614,481	613,488	515,606	459,719	428,935	9.40%	0.16%
4.	Purchased Power	213,168	217,782	255,169	261,657	228,847	-1.76%	-2.12%
5.	Maintenance	149,797	181,607	152,744	142,376	138,940	1.90%	-17.52%
6.	Other Operating Expenses	<u>439,054</u>	<u>427,852</u>	<u>408,346</u>	<u>403,850</u>	<u>369,849</u>	<u>4.38%</u>	<u>2.62%</u>
7.	Total Operating Expenses	1,416,500	1,440,729	1,331,865	1,267,602	1,166,571	4.97%	-1.68%
8.	Depreciation & Amortization	<u>407,777</u>	<u>416,724</u>	<u>372,908</u>	<u>542,241</u>	<u>385,830</u>	<u>1.39%</u>	<u>-2.15%</u>
9.	Total Expenses & Depreciation	1,824,277	1,857,453	1,704,773	1,809,843	1,552,401	4.12%	-1.79%
10.	Total Operating Taxes	<u>361,485</u>	<u>345,721</u>	<u>350,112</u>	<u>291,058</u>	<u>338,269</u>	<u>1.67%</u>	<u>4.56%</u>
11.	Total Expenses, Depr. & Taxes	<u>2,185,762</u>	<u>2,203,174</u>	<u>2,054,885</u>	<u>2,100,901</u>	<u>1,890,670</u>	<u>3.69%</u>	<u>-0.79%</u>
12.	Operating Income	<u>\$399,339</u>	<u>\$372,545</u>	<u>\$407,689</u>	<u>\$327,094</u>	<u>\$383,702</u>	<u>1.00%</u>	<u>7.19%</u>
13.	Net Plant Investment	<u>\$4,641,698</u>	<u>\$4,628,360</u>	<u>\$4,542,198</u>	<u>\$4,400,000</u>	<u>\$4,240,797</u>	<u>2.28%</u>	<u>0.29%</u>
14.	Oper. Exp. as a % of Total Revenue	54.79%	55.94%	54.08%	52.21%	51.29%	1.66%	-2.06%
15.	Net Plt. Investment per \$ of Revenue	\$1.80	\$1.80	\$1.84	\$1.81	\$1.86	-0.82%	0.00%
16.	Number of Customers Served:							
17.	Residential	993	973	955	932	907	2.29%	2.06%
18.	Commercial	177	171	168	164	158	2.88%	3.51%
19.	Industrial	4	4	4	4	4	0.00%	0.00%
20.	Other	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0.00%</u>	<u>0.00%</u>
21.	Total Number of Customers	<u>1176</u>	<u>1150</u>	<u>1129</u>	<u>1102</u>	<u>1071</u>	<u>2.37%</u>	<u>2.26%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	13,736	13,451	12,634	12,625	11,756	3.97%	2.12%
24.	Commercial	11,180	10,888	10,597	10,234	9,774	3.42%	2.68%
25.	Industrial	9,639	9,600	9,933	10,321	11,107	-3.48%	0.41%
26.	Other	<u>3,479</u>	<u>4,485</u>	<u>4,166</u>	<u>3,984</u>	<u>4,436</u>	<u>-5.89%</u>	<u>-22.43%</u>
27.	Total Sales	<u>38,034</u>	<u>38,424</u>	<u>37,330</u>	<u>37,164</u>	<u>37,073</u>	<u>0.64%</u>	<u>-1.01%</u>
28.	Estimated Overall Rate of Return	8.64%	8.20%	9.42%	8.07%	9.61%	-2.62%	5.37%
29.	Estimated Return on Common Equity	11.36%	10.22%	12.41%	9.13%	12.42%	-2.21%	11.15%
30.	Common Equity Ratio	50.46%	51.24%	49.11%	48.31%	53.16%	-1.29%	-1.52%
31.	Debt Ratio	48.64%	47.82%	49.99%	50.77%	45.83%	1.50%	1.71%
32.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.65	4.39	4.43	3.35	5.10	-2.28%	5.92%

33. **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.
[4] Columns (c) and (d), Line 8, depreciation and amortization has been corrected for 2003 and 2002 resulting in higher levels of operating income presented in Columns (c) and (d), Line 12. However, the data provided in Columns (c) and (d), Lines 28, 29, and 32 were included in the previous "Quarterly Review" for quarter ending September 30, 2003 and such data were calculated utilizing the correct amount of depreciation and amortization.

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	
		September 2004 (b)	September 2003 (c)	September 2002 (d)	September 2001 (e)	September 2000 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$277,389	\$260,440	\$251,519	\$249,942	\$223,016	5.61%	6.51%
2.	Operating Expenses:							
3.	Fuel	54,323	41,648	47,488	39,901	34,469	12.04%	30.43%
4.	Purchased Power	53,227	60,933	46,380	49,867	48,244	2.49%	-12.65%
5.	Maintenance	0	0	0	0	0	N/A	N/A
6.	Other Operating Expenses	<u>63,302</u>	<u>53,281</u>	<u>50,977</u>	<u>56,939</u>	<u>47,992</u>	<u>7.17%</u>	<u>18.81%</u>
7.	Total Operating Expenses	170,852	155,862	144,845	146,707	130,705	6.93%	9.62%
8.	Depreciation & Amortization	<u>25,254</u>	<u>23,697</u>	<u>28,877</u>	<u>26,443</u>	<u>26,446</u>	<u>-1.15%</u>	<u>6.57%</u>
9.	Total Expenses & Depreciation	196,106	179,559	173,722	173,150	157,151	5.69%	9.22%
10.	Total Operating Taxes	<u>42,507</u>	<u>35,395</u>	<u>38,048</u>	<u>37,531</u>	<u>29,098</u>	<u>9.94%</u>	<u>20.09%</u>
11.	Total Expenses, Depr. & Taxes	<u>238,613</u>	<u>214,954</u>	<u>211,770</u>	<u>210,681</u>	<u>186,249</u>	<u>6.39%</u>	<u>11.01%</u>
12.	Operating Income	<u>\$38,776</u>	<u>\$45,486</u>	<u>\$39,749</u>	<u>\$39,261</u>	<u>\$36,767</u>	<u>1.34%</u>	<u>-14.75%</u>
13.	Net Plant Investment	<u>\$560,814</u>	<u>\$514,488</u>	<u>\$414,120</u>	<u>\$433,046</u>	<u>\$364,043</u>	<u>11.41%</u>	<u>9.00%</u>
14.	Oper. Exp. as a % of Total Revenue	61.59%	59.85%	57.59%	58.70%	58.61%	1.25%	2.91%
15.	Net Plt. Investment per \$ of Revenue	\$2.02	\$1.98	\$1.65	\$1.73	\$1.63	5.51%	2.02%
16.	Number of Customers Served:							
17.	Residential	97	96	95	93	92	1.33%	1.04%
18.	Commercial	15	15	15	14	14	1.74%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0.00%</u>	<u>0.00%</u>
21.	Total Number of Customers	<u>114</u>	<u>113</u>	<u>112</u>	<u>109</u>	<u>108</u>	<u>1.36%</u>	<u>0.88%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,481	1,446	1,329	1,382	1,238	4.58%	2.42%
24.	Commercial	760	744	727	708	670	3.20%	2.15%
25.	Industrial	1,751	1,556	1,552	1,452	1,197	9.98%	12.53%
26.	Other	<u>153</u>	<u>149</u>	<u>136</u>	<u>137</u>	<u>129</u>	<u>4.36%</u>	<u>2.68%</u>
27.	Total Sales	<u>4,145</u>	<u>3,895</u>	<u>3,744</u>	<u>3,679</u>	<u>3,234</u>	<u>6.40%</u>	<u>6.42%</u>
28.	Estimated Overall Rate of Return	8.25%	9.94%	9.66%	9.30%	9.50%	-3.47%	-17.00%
29.	Estimated Return on Common Equity	11.17%	13.56%	13.45%	12.11%	12.07%	-1.92%	-17.63%
30.	Common Equity Ratio	47.60%	49.21%	46.48%	46.26%	48.32%	-0.37%	-3.27%
31.	Debt Ratio	48.88%	44.40%	47.40%	46.46%	42.48%	3.57%	10.09%
32.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.13	4.91	4.95	4.47	4.36	4.15%	4.48%

33. **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.
[5] Pursuant to the Order Approving Stipulation issued on March 18, 2005, in Docket No. E-22, Sub 412, Dominion will file revised ES-1 Reports to reflect presumed regulatory assets, deferred income taxes, and amortizations set forth in paragraphs 10 and 11 of the Stipulation and Agreement dated March 8, 2005. Certain amounts presented above will be updated to present the revised data once the revised ES-1 Reports are provided by Dominion.

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	
		September 2004 (b)	September 2003 (c)	September 2002 (d)	September 2001 (e)	September 2000 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$3,464,803	\$3,432,088	\$3,239,704	\$3,276,157	\$3,088,381	2.92%	0.95%
2.	Operating Expenses:							
3.	Fuel	629,132	577,952	509,565	512,091	434,687	9.68%	8.86%
4.	Purchased Power	237,884	279,373	296,842	288,814	302,042	-5.79%	-14.85%
5.	Maintenance	323,123	373,739	303,428	304,493	285,322	3.16%	-13.54%
6.	Other Operating Expenses	<u>639,712</u>	<u>611,271</u>	<u>688,026</u>	<u>693,078</u>	<u>682,780</u>	<u>-1.65%</u>	<u>4.49%</u>
7.	Total Operating Expenses	1,828,851	1,842,335	1,797,861	1,798,476	1,704,831	1.77%	-0.73%
8.	Depreciation & Amortization	<u>612,105</u>	<u>526,167</u>	<u>418,257</u>	<u>397,731</u>	<u>367,262</u>	<u>13.62%</u>	<u>16.33%</u>
9.	Total Expenses & Depreciation	2,440,956	2,368,502	2,216,118	2,196,207	2,072,093	4.18%	3.06%
10.	Total Operating Taxes	<u>442,073</u>	<u>462,289</u>	<u>457,887</u>	<u>492,318</u>	<u>468,461</u>	<u>-1.44%</u>	<u>-4.37%</u>
11.	Total Expenses, Depr. & Taxes	<u>2,883,029</u>	<u>2,830,791</u>	<u>2,674,005</u>	<u>2,688,525</u>	<u>2,540,554</u>	<u>3.21%</u>	<u>1.85%</u>
12.	Operating Income	<u>\$581,774</u>	<u>\$601,297</u>	<u>\$565,899</u>	<u>\$587,632</u>	<u>\$547,827</u>	<u>1.51%</u>	<u>-3.25%</u>
13.	Net Plant Investment	<u>\$7,682,419</u>	<u>\$7,204,688</u>	<u>\$8,671,865</u>	<u>\$6,451,042</u>	<u>\$6,228,976</u>	<u>5.38%</u>	<u>6.83%</u>
14.	Oper. Exp. as a % of Total Revenue	52.78%	53.68%	55.49%	54.90%	55.20%	-1.11%	-1.68%
15.	Net Plt. Investment per \$ of Revenue	\$2.22	\$2.10	\$2.06	\$1.97	\$2.02	2.39%	5.71%
16.	Number of Customers Served:							
17.	Residential	1,392	1,366	1,377	1,342	1,300	1.72%	1.90%
18.	Commercial	227	222	220	212	210	1.97%	2.25%
19.	Industrial	6	6	6	6	6	0.00%	0.00%
20.	Other	<u>10</u>	<u>9</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>5.74%</u>	<u>11.11%</u>
21.	Total Number of Customers	<u>1,635</u>	<u>1,603</u>	<u>1,611</u>	<u>1,568</u>	<u>1,524</u>	<u>1.77%</u>	<u>2.00%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	18,571	17,998	17,460	17,467	16,397	3.16%	3.18%
24.	Commercial	19,402	18,863	18,496	18,276	17,445	2.69%	2.86%
25.	Industrial	14,868	14,998	15,709	16,315	17,696	-4.26%	-0.87%
26.	Other	<u>1,549</u>	<u>4,438</u>	<u>221</u>	<u>228</u>	<u>234</u>	<u>60.40%</u>	<u>-65.10%</u>
27.	Total Sales	<u>54,390</u>	<u>56,297</u>	<u>51,886</u>	<u>52,286</u>	<u>51,772</u>	<u>1.24%</u>	<u>-3.39%</u>
28.	Estimated Overall Rate of Return	9.31%	10.04%	9.70%	10.45%	10.06%	-1.92%	-7.27%
29.	Estimated Return on Common Equity	12.87%	13.53%	12.43%	12.85%	12.18%	1.39%	-4.88%
30.	Common Equity Ratio	54.42%	55.50%	59.48%	59.63%	59.17%	-2.07%	-1.95%
31.	Debt Ratio	44.08%	43.00%	38.58%	37.93%	38.08%	3.73%	2.51%
32.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.94	5.93	6.48	5.99	5.73	0.90%	0.17%
33.	LAST RATE CASE	Authorized Returns: Common Equity 12.50%, Overall 10.44%; Equity Ratio: 48.82%; Date of Order: 11-12-91						

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.
[4] Schedule reflects certain revised data for 2001 [Column (e)] and 2000 [Column (f)], as provided by Duke, and as previously reported in the Commission's "Quarterly Review" Revisions issued on June 20, 2003.
[5] The estimated ROE impacts of the BPM net revenues under the sharing arrangement approved in Docket No. E-7, Sub 751 are as follows for the 12-month periods ending September 30th: 2004 - 0.43%; 2003 - N/A; 2002 - N/A; 2001 - N/A; and 2000 - N/A.

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	
		September 2004 (b)	September 2003 (c)	September 2002 (d)	September 2001 (e)	September 2000 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$82,563	\$79,481	\$75,099	\$73,932	\$68,011	4.97%	3.88%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	0	0	0	0	0	N/A	N/A
4.	Purchased Power - Regular	36,763	34,966	31,745	31,441	27,644	7.39%	5.14%
5.	Maintenance	6,429	6,978	6,796	5,422	5,627	3.39%	-7.87%
6.	Other Operating Expenses	<u>6,814</u>	<u>7,967</u>	<u>10,445</u>	<u>8,632</u>	<u>8,325</u>	<u>-4.88%</u>	<u>-14.47%</u>
7.	Total Operating Expenses	50,006	49,911	48,986	45,495	41,596	4.71%	0.19%
8.	Depreciation & Amortization	<u>8,978</u>	<u>8,404</u>	<u>7,774</u>	<u>6,921</u>	<u>6,348</u>	<u>9.05%</u>	<u>6.83%</u>
9.	Total Expenses & Depreciation	58,984	58,315	56,760	52,416	47,944	5.32%	1.15%
10.	Total Operating Taxes	<u>9,188</u>	<u>8,599</u>	<u>7,275</u>	<u>8,860</u>	<u>8,394</u>	<u>2.29%</u>	<u>6.85%</u>
11.	Total Expenses, Depr. & Taxes	<u>68,172</u>	<u>66,914</u>	<u>64,035</u>	<u>61,276</u>	<u>56,338</u>	<u>4.88%</u>	<u>1.88%</u>
12.	Operating Income	<u>\$14,391</u>	<u>\$12,567</u>	<u>\$11,064</u>	<u>\$12,656</u>	<u>\$11,673</u>	<u>5.37%</u>	<u>14.51%</u>
13.	Net Plant Investment	<u>\$196,251</u>	<u>\$193,276</u>	<u>\$180,258</u>	<u>\$167,001</u>	<u>\$150,984</u>	<u>6.78%</u>	<u>1.54%</u>
14.	Oper. Exp. as a % of Total Revenue	60.57%	62.80%	65.23%	61.54%	61.16%	-0.24%	-3.55%
15.	Net Plt. Investment per \$ of Revenue	\$2.38	\$2.43	\$2.40	\$2.26	\$2.22	1.76%	-2.06%
16.	Number of Customers Served:							
17.	Residential	60	59	58	56	55	2.20%	1.69%
18.	Commercial	7	7	7	7	7	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	<u>67</u>	<u>66</u>	<u>65</u>	<u>63</u>	<u>62</u>	<u>1.96%</u>	<u>1.52%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	618	590	562	564	525	4.16%	4.75%
24.	Commercial	427	426	403	384	368	3.79%	0.23%
25.	Industrial	124	118	117	122	141	-3.16%	5.08%
26.	Other	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0.00%</u>	<u>0.00%</u>
27.	Total Sales	<u>1,171</u>	<u>1,136</u>	<u>1,084</u>	<u>1,072</u>	<u>1,036</u>	<u>3.11%</u>	<u>3.08%</u>
28.	Estimated Overall Rate of Return	8.14%	7.18%	6.65%	8.15%	8.22%	-0.24%	13.37%
29.	Estimated Return on Common Equity	8.83%	7.03%	6.25%	8.70%	8.83%	0.00%	25.60%
30.	Common Equity Ratio	54.42%	55.50%	63.15%	60.27%	57.46%	-1.35%	-1.95%
31.	Debt Ratio	44.08%	43.00%	36.85%	39.73%	42.54%	0.89%	2.51%
32.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.49	3.15	3.29	3.97	3.68	-1.32%	10.79%
33.	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)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 2004	September 2003	September 2002	September 2001	September 2000	Four Year	Current Year
		(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Residential	\$87,359	\$69,892	\$50,603	\$81,451	\$51,443	14.16%	24.99%
3.	Commercial	68,076	49,794	34,911	56,977	34,017	18.94%	36.72%
4.	Industrial	54,393	100,548	70,563	77,534	100,752	-14.28%	-45.90%
5.	Public Authorities	0	2,187	1,674	2,844	2,065	N/A	N/A
6.	Resale	27,057	41,090	18,028	36,269	20,164	7.63%	-34.15%
7.	Other	45,632	110,647	95,598	112,765	60,759	-6.91%	-58.76%
8.	Total Operating Revenue	<u>282,517</u>	<u>374,158</u>	<u>271,377</u>	<u>367,840</u>	<u>269,200</u>	<u>1.21%</u>	<u>-24.49%</u>
9.	Cost of Gas	<u>174,132</u>	<u>290,520</u>	<u>190,668</u>	<u>298,239</u>	<u>195,070</u>	<u>-2.80%</u>	<u>-40.06%</u>
10.	Margin	108,385	83,638	80,709	69,601	74,130	9.96%	29.59%
11.	O & M Expenses	52,310	175,828	44,419	46,133	36,364	9.52%	-70.25%
12.	Other Deductions	<u>32,670</u>	<u>24,283</u>	<u>24,569</u>	<u>26,639</u>	<u>24,699</u>	<u>7.24%</u>	<u>34.54%</u>
13.	Operating Income	<u>\$23,405</u>	<u>(\$116,473)</u>	<u>\$11,721</u>	<u>(\$3,171)</u>	<u>\$13,067</u>	<u>15.69%</u>	<u>120.09%</u>
14.	Net Plant Investment	<u>\$450,455</u>	<u>\$372,174</u>	<u>\$366,746</u>	<u>\$289,667</u>	<u>\$227,520</u>	<u>18.62%</u>	<u>21.03%</u>
15.	Operating Exp. as a % of Margin	48.26%	210.23%	55.04%	66.28%	49.05%	-0.41%	-77.04%
16.	Net Plt. Investment per \$ of Margin	\$4.16	\$4.45	\$4.54	\$4.16	\$3.07	7.89%	-6.52%
17.	Gas Delivered in DTs:							
18.	Residential	7,261	7,180	5,480	7,010	6,152	4.23%	1.13%
19.	Commercial	6,697	5,967	4,925	5,897	5,404	5.51%	12.23%
20.	Industrial	7,441	16,425	17,744	10,289	24,238	-25.56%	-54.70%
21.	Public Authorities	0	267	229	284	264	N/A	N/A
22.	Resale	4,162	6,400	3,384	4,057	4,859	-3.80%	-34.97%
23.	Other	<u>38,385</u>	<u>23,079</u>	<u>34,123</u>	<u>25,551</u>	<u>16,479</u>	<u>23.54%</u>	<u>66.32%</u>
24.	Total DTs	<u>63,946</u>	<u>59,318</u>	<u>65,885</u>	<u>53,088</u>	<u>57,396</u>	<u>2.74%</u>	<u>7.80%</u>
25.	Number of Customers:							
26.	Residential	105	104	104	97	96	2.27%	0.96%
27.	Commercial	14	14	14	14	14	0.00%	0.00%
28.	Industrial	1	1	0	0	0	N/A	0.00%
29.	Public Authorities	0	4	4	4	4	N/A	N/A
30.	Resale	0	57	56	54	44	N/A	N/A
31.	Other	0	1	0	0	0	N/A	N/A
32.	Total Number of Customers	<u>120</u>	<u>181</u>	<u>178</u>	<u>169</u>	<u>158</u>	<u>-6.65%</u>	<u>-33.70%</u>
33.	Estimated Overall Rate of Return	6.51%	N/A	4.14%	3.90%	10.09%	N/A	N/A
34.	Estimated Return on Common Equity	6.26%	N/A	1.65%	0.24%	13.67%	N/A	N/A
35.	Common Equity Ratio	54.61%	N/A	49.11%	44.83%	50.21%	N/A	N/A
36.	Debt Ratio	45.39%	N/A	49.99%	54.32%	48.93%	N/A	N/A
37.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.82	N/A	1.41	0.98	4.45	N/A	N/A
38.	LAST RATE CASE	Authorized Returns: Common Equity 11.00%, Overall 9.27%; Equity Ratio: 51.14%; Date of Order: 10-30-03						

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 in Column (b), Lines 33-37, is based on calculations derived from use of Piedmont Natural Gas Company, Inc.'s capital structure. The acquisition of North Carolina Natural Gas Corporation by Piedmont Natural Gas Company, Inc. from Carolina Power and Light Company was approved by the Commission on June 26, 2003.
[5] Data provided in Columns (c), (d), (e) and (f), Lines 33-37, 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.
[6] 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	
		September 2004 (b)	September 2003 (c)	September 2002 (d)	September 2001 (e)	September 2000 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$343,256	\$316,005	\$218,540	\$322,856	\$208,264	13.31%	8.62%
3.	Commercial	173,602	160,139	102,322	166,677	116,391	10.51%	8.41%
4.	Industrial	47,147	44,816	31,448	64,765	118,514	-20.58%	5.20%
5.	Public Authorities	408	494	433	2,495	2,770	-38.05%	-17.41%
6.	Resale	9	9	8	0	0	N/A	0.00%
7.	Other	<u>26,249</u>	<u>27,242</u>	<u>24,759</u>	<u>20,875</u>	<u>16,700</u>	<u>11.97%</u>	<u>-3.65%</u>
8.	Total Operating Revenue	<u>590,671</u>	<u>548,705</u>	<u>377,510</u>	<u>577,668</u>	<u>462,639</u>	<u>8.30%</u>	<u>7.65%</u>
9.	Cost of Gas	<u>392,537</u>	<u>345,001</u>	<u>191,212</u>	<u>393,633</u>	<u>286,195</u>	<u>7.52%</u>	<u>10.88%</u>
10.	Margin	208,134	203,704	186,298	184,035	176,444	4.22%	2.17%
11.	O & M Expenses	82,458	90,352	75,233	80,983	74,293	2.64%	-8.74%
12.	Other Deductions	<u>67,296</u>	<u>81,081</u>	<u>58,311</u>	<u>51,824</u>	<u>52,445</u>	<u>6.43%</u>	<u>10.18%</u>
13.	Operating Income	<u>\$58,380</u>	<u>\$52,271</u>	<u>\$52,754</u>	<u>\$51,228</u>	<u>\$49,706</u>	<u>4.10%</u>	<u>11.89%</u>
14.	Net Plant Investment	<u>\$748,676</u>	<u>\$637,607</u>	<u>\$613,261</u>	<u>\$591,108</u>	<u>\$559,107</u>	<u>7.57%</u>	<u>17.42%</u>
15.	Operating Exp. as a % of Margin	39.62%	44.35%	40.38%	44.00%	42.11%	-1.51%	-10.67%
16.	Net Plt. Investment per \$ of Margin	\$3.60	\$3.13	\$3.29	\$3.21	\$3.17	3.23%	15.02%
17.	Gas Delivered in DTs:							
18.	Residential	30,005	32,067	24,413	28,897	24,488	5.21%	-6.43%
19.	Commercial	17,700	18,995	14,518	17,634	17,089	0.88%	-6.82%
20.	Industrial	5,736	6,033	6,212	8,204	23,647	-29.82%	-4.92%
21.	Public Authorities	42	59	58	238	378	-42.26%	-28.81%
22.	Resale	0	0	0	0	0	N/A	N/A
23.	Other	<u>29,298</u>	<u>27,749</u>	<u>27,931</u>	<u>21,234</u>	<u>13,952</u>	<u>20.38%</u>	<u>5.58%</u>
24.	Total DTs	<u>82,781</u>	<u>84,903</u>	<u>73,132</u>	<u>76,207</u>	<u>79,554</u>	<u>1.00%</u>	<u>-2.50%</u>
25.	Number of Customers:							
26.	Residential	413	402	380	364	351	4.15%	2.74%
27.	Commercial	45	44	42	41	40	2.99%	2.27%
28.	Industrial	1	1	1	2	2	-15.91%	0.00%
29.	Public Authorities	1	1	1	2	5	-33.13%	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	<u>460</u>	<u>446</u>	<u>424</u>	<u>409</u>	<u>398</u>	<u>3.69%</u>	<u>2.68%</u>
33.	Estimated Overall Rate of Return	9.31%	8.51%	8.77%	8.67%	8.95%	0.99%	9.40%
34.	Estimated Return on Common Equity	11.30%	9.41%	9.88%	9.73%	10.27%	2.42%	20.09%
35.	Common Equity Ratio	54.47%	54.33%	53.15%	50.89%	51.44%	1.44%	0.26%
36.	Debt Ratio	45.53%	45.67%	46.85%	49.11%	48.56%	-1.60%	-0.31%
37.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.21	3.46	3.44	3.18	3.27	6.52%	21.68%
38.	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 39% 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.
[5] Column (e), Lines 33-35 and 37 have been restated to correct an oversight which resulted from the inclusion of amounts for the 12-month period ending June 30, 2001, in the September 30, 2003 issue of the "Quarterly Review", rather than amounts for the 12-month period ending September 30, 2001.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		September 2004 (b)	September 2003 (c)	September 2002 (d)	September 2001 (e)	September 2000 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$302,078	\$280,349	\$196,177	\$301,723	\$200,776	10.75%	7.75%
3.	Commercial	142,798	133,617	85,715	146,742	92,073	11.60%	6.87%
4.	Industrial	9,556	10,193	7,223	12,919	9,806	-0.64%	-6.25%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	14	9	7	10	0	N/A	55.56%
7.	Other	<u>58,419</u>	<u>53,542</u>	<u>42,571</u>	<u>46,150</u>	<u>45,415</u>	<u>6.50%</u>	<u>9.11%</u>
8.	Total Operating Revenue	<u>512,865</u>	<u>477,710</u>	<u>331,693</u>	<u>507,544</u>	<u>348,070</u>	<u>10.18%</u>	<u>7.36%</u>
9.	Cost of Gas	<u>335,930</u>	<u>303,889</u>	<u>165,007</u>	<u>337,186</u>	<u>184,506</u>	<u>16.16%</u>	<u>10.54%</u>
10.	Margin	176,935	173,821	166,686	170,358	163,564	1.98%	1.79%
11.	O & M Expenses	76,054	76,338	67,886	66,497	69,196	2.39%	-0.37%
12.	Other Deductions	<u>56,001</u>	<u>55,514</u>	<u>57,412</u>	<u>67,696</u>	<u>62,257</u>	<u>-2.61%</u>	<u>0.88%</u>
13.	Operating Income	<u>\$44,880</u>	<u>\$41,969</u>	<u>\$41,388</u>	<u>\$36,165</u>	<u>\$32,111</u>	<u>8.73%</u>	<u>6.94%</u>
14.	Net Plant Investment	<u>\$584,078</u>	<u>\$561,065</u>	<u>\$537,484</u>	<u>\$492,624</u>	<u>\$493,475</u>	<u>4.30%</u>	<u>4.10%</u>
15.	Operating Exp. as a % of Margin	42.98%	43.92%	40.73%	39.03%	42.31%	0.39%	-2.14%
16.	Net Plt. Investment per \$ of Margin	\$3.30	\$3.23	\$3.22	\$2.89	\$3.02	2.24%	2.17%
17.	Gas Delivered in DTs:							
18.	Residential	24,818	26,242	20,301	24,718	21,294	3.90%	-5.43%
19.	Commercial	14,449	15,091	12,113	14,610	12,958	2.76%	-4.25%
20.	Industrial	1,176	1,419	1,408	1,425	1,547	-6.63%	-17.12%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22.	Resale	1	1	1	1	0	N/A	0.00%
23.	Other	<u>29,901</u>	<u>28,458</u>	<u>31,497</u>	<u>28,441</u>	<u>33,705</u>	<u>-2.95%</u>	<u>5.07%</u>
24.	Total DTs	<u>70,345</u>	<u>71,211</u>	<u>65,320</u>	<u>69,195</u>	<u>69,504</u>	<u>0.30%</u>	<u>-1.22%</u>
25.	Number of Customers:							
26.	Residential	354	342	328	319	310	3.37%	3.51%
27.	Commercial	37	36	35	42	42	-3.12%	2.78%
28.	Industrial	0	0	0	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>N/A</u>
32.	Total Number of Customers	<u>391</u>	<u>378</u>	<u>363</u>	<u>363</u>	<u>354</u>	<u>2.52%</u>	<u>3.44%</u>
33.	Estimated Overall Rate of Return	8.27%	8.03%	8.87%	10.64%	9.15%	-2.50%	2.99%
34.	Estimated Return on Common Equity	10.14%	9.87%	11.02%	14.22%	11.04%	-2.10%	2.74%
35.	Common Equity Ratio	49.64%	47.75%	48.29%	47.77%	47.37%	1.18%	3.96%
36.	Debt Ratio	50.36%	52.25%	51.71%	52.23%	52.63%	-1.10%	-3.62%
37.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.54	3.30	3.44	3.90	3.17	2.80%	7.27%
38.	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 NCUK GS-1 Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.
[5] Column (c), Line 37 has been revised to correct an oversight in the prior calculation which was reported in the "Quarterly Review" for the 12-month period ending September 30, 2003.

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

<u>Line</u> <u>No.</u>	<u>Item</u> (a)	<u>Calendar Year</u> <u>December</u> <u>2003</u> (b)
1.	Operating Revenue:	
2.	Basic Local Service	\$73,988
3.	Network Access	58,024
4.	Long Distance Message	4,036
5.	Miscellaneous	17,028
6.	Uncollectibles	<u>(1,364)</u>
7.	Total Operating Revenue	<u>151,712</u>
8.	Operating Expenses	61,130
9.	Depreciation & Amortization	30,209
10.	Total Operating Taxes	<u>16,905</u>
11.	Total Expenses, Depr. & Taxes	<u>108,244</u>
12.	Operating Income	<u>\$43,468</u>
13.	Net Telecommunications Plant	<u>\$260,066</u>
14.	Oper. Exp. as a % of Total Revenue	40.29%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.71

Notes: [1] ALLTEL Carolina, Inc. elected price regulation in June 1998.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction of \$12,273,102.

BELLSOUTH TELECOMMUNICATIONS, INC.
SELECTED FINANCIAL OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

<u>Line</u> <u>No.</u>	<u>Item</u> (a)	<u>Calendar Year</u> <u>December</u> <u>2003</u> (b)
1.	Operating Revenue:	
2.	Basic Local Service	\$929,148
3.	Network Access	521,277
4.	Long Distance Message	23,603
5.	Miscellaneous	197,878
6.	Uncollectibles	<u>(30,816)</u>
7.	Total Operating Revenue	<u>1,641,090</u>
8.	Operating Expenses	777,313
9.	Depreciation & Amortization	457,424
10.	Total Operating Taxes	<u>154,937</u>
11.	Total Expenses, Depr. & Taxes	<u>1,389,674</u>
12.	Operating Income	<u>\$251,416</u>
13.	Net Telecommunications Plant	<u>\$2,452,004</u>
14.	Oper. Exp. as a % of Total Revenue	47.37%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.49

Notes: [1] BellSouth Telecommunications, Inc. elected price regulation in June 1996.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction of \$5,347,000.

CAROLINA TELEPHONE AND TELEGRAPH COMPANY
SELECTED FINANCIAL OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Calendar Year</u> <u>December</u> <u>2003</u> <u>(b)</u>
1.	Operating Revenue:	
2.	Basic Local Service	\$409,309
3.	Network Access	279,714
4.	Long Distance Message	6,959
5.	Miscellaneous	176,686
6.	Uncollectibles	<u>(6,647)</u>
7.	Total Operating Revenue	<u>866,021</u>
8.	Operating Expenses	489,586
9.	Depreciation & Amortization	154,692
10.	Total Operating Taxes	<u>78,335</u>
11.	Total Expenses, Depr. & Taxes	<u>722,613</u>
12.	Operating Income	<u>\$143,408</u>
13.	Net Telecommunications Plant	<u>\$798,533</u>
14.	Oper. Exp. as a % of Total Revenue	56.53%
15.	Net Telecomm. Plt. per \$ of Revenue	\$0.92

- Notes: [1] Carolina Telephone and Telegraph Company elected price regulation in June 1996.
- [2] Reporting requirement changes for the major price regulated telephone companies were implemented, in response to passage of Senate Bill 814, by Commission Orders dated January 2 and April 16, 2004, in Docket No. P-100, Sub 72b, effective for reporting periods beginning with calendar year 2003. The April 16, 2004 Order approved the Annual Report Proposal submitted, on March 4, 2004, by the major price regulated telephone companies, which effectively superseded the annual TS-1 Report previously required. Consequently, beginning with the 4th quarter 2003 "Quarterly Review", which includes information and data for the 12-month period ending December 31, 2003, earnings, access line, and certain other data for the price regulated telephone companies are no longer provided.
- [3] Source of Data: Annual Report.
- [4] Net Telecommunications Plant reflects net plant in service for total North Carolina operations (regulated and nonregulated), including plant under construction of \$49,620,000.

CENTRAL TELEPHONE COMPANY
SELECTED FINANCIAL OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	<u>Item</u> (a)	Calendar Year December <u>2003</u> (b)
1.	Operating Revenue:	
2.	Basic Local Service	\$99,464
3.	Network Access	55,305
4.	Long Distance Message	3,425
5.	Miscellaneous	28,744
6.	Uncollectibles	<u>(1,790)</u>
7.	Total Operating Revenue	<u>185,148</u>
8.	Operating Expenses	101,946
9.	Depreciation & Amortization	39,776
10.	Total Operating Taxes	<u>19,889</u>
11.	Total Expenses, Depr. & Taxes	<u>161,611</u>
12.	Operating Income	<u>\$23,537</u>
13.	Net Telecommunications Plant	<u>\$281,727</u>
14.	Oper. Exp. as a % of Total Revenue	55.06%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.52

Notes: [1] Central Telephone Company elected price regulation in June 1996.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction of \$11,493,000.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Four Year (g)	Annual Rate Current Year (h)
		September 2004 (b)	September 2003 (c)	September 2002 (d)	September 2001 (e)	September 2000 (f)		
1.	Operating Revenue:							
2.	Basic Local Service	\$5,903	\$5,737	\$5,701	\$5,588	\$5,067	3.89%	2.89%
3.	Network Access	3,763	4,137	4,368	3,130	3,392	2.63%	-9.04%
4.	Long Distance Message	1,092	1,173	1,260	1,330	1,303	-4.32%	-6.91%
5.	Miscellaneous	1,113	1,115	1,069	1,059	932	4.54%	-0.18%
6.	Uncollectibles	(18)	(21)	(20)	(11)	(13)	8.48%	-14.29%
7.	Total Operating Revenue	<u>11,853</u>	<u>12,141</u>	<u>12,378</u>	<u>11,096</u>	<u>10,681</u>	<u>2.64%</u>	<u>-2.37%</u>
8.	Operating Expenses	5,259	5,003	4,361	4,423	4,447	4.28%	5.12%
9.	Depreciation & Amortization	2,534	2,411	2,386	2,121	3,299	-6.38%	5.10%
10.	Total Operating Taxes	<u>1,557</u>	<u>1,431</u>	<u>1,899</u>	<u>1,618</u>	<u>1,108</u>	<u>8.88%</u>	<u>8.81%</u>
11.	Total Expenses, Depr. & Taxes	<u>9,350</u>	<u>8,845</u>	<u>8,646</u>	<u>8,162</u>	<u>8,854</u>	<u>1.37%</u>	<u>5.71%</u>
12.	Operating Income	<u>\$2,503</u>	<u>\$3,296</u>	<u>\$3,732</u>	<u>\$2,934</u>	<u>\$1,827</u>	<u>8.19%</u>	<u>-24.06%</u>
13.	Net Plant Investment	<u>\$26,793</u>	<u>\$25,283</u>	<u>\$24,347</u>	<u>\$23,161</u>	<u>\$20,859</u>	<u>6.46%</u>	<u>5.97%</u>
14.	Oper. Exp. as a % of Total Revenue	44.37%	41.21%	35.23%	39.86%	41.63%	1.61%	7.67%
15.	Net Plt. Investment per \$ of Revenue	\$2.26	\$2.08	\$1.97	\$2.09	\$1.95	3.76%	8.65%
16.	Local Access Lines:							
17.	Residential	17	17	17	17	17	0.00%	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>21</u>	<u>21</u>	<u>0.00%</u>	<u>0.00%</u>
20.	Total Access Lines:							
21.	Residential	17	17	17	17	17	0.00%	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>21</u>	<u>21</u>	<u>0.00%</u>	<u>0.00%</u>
24.	Estimated Overall Rate of Return	10.02%	13.46%	15.69%	13.10%	9.41%	1.58%	-25.56%
25.	Estimated Return on Common Equity	10.58%	15.50%	19.05%	15.58%	10.05%	1.29%	-31.74%
26.	Common Equity Ratio	73.40%	71.32%	68.43%	65.87%	63.94%	3.51%	2.92%
27.	Debt Ratio	26.60%	28.68%	31.57%	34.13%	36.06%	-7.32%	-7.25%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.21	7.83	8.59	6.58	4.12	15.02%	-7.92%
29.	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 70% 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 OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

Line No.	<u>Item</u> (a)	Calendar Year December <u>2003</u> (b)
1.	Operating Revenue:	
2.	Basic Local Service	\$51,581
3.	Network Access	7,163
4.	Long Distance Message	3,928
5.	Miscellaneous	8,827
6.	Uncollectibles	<u>(372)</u>
7.	Total Operating Revenue	<u>71,127</u>
8.	Operating Expenses	33,514
9.	Depreciation & Amortization	17,231
10.	Total Operating Taxes	<u>9,804</u>
11.	Total Expenses, Depr. & Taxes	<u>60,549</u>
12.	Operating Income	<u>\$10,578</u>
13.	Net Telecommunications Plant	<u>\$86,022</u>
14.	Oper. Exp. as a % of Total Revenue	47.12%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.21

Notes: [1] Concord Telephone Company elected price regulation in June 1997.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for North Carolina regulated operations only, including plant under construction of \$1,819,772.

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

Line No.	Item (a)	12 Months Ended					Annual	
		September 2004 (b)	September 2003 (c)	September 2002 (d)	September 2001 (e)	September 2000 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$12,635	\$13,224	\$13,680	\$13,324	\$12,488	0.29%	-4.45%
3.	Network Access	5,313	5,086	4,476	3,876	2,959	15.76%	4.46%
4.	Long Distance Message	175	281	298	333	417	-19.51%	-37.72%
5.	Miscellaneous	2,340	2,236	2,690	3,325	3,893	-11.95%	4.65%
6.	Uncollectibles	(279)	(87)	(337)	(254)	(130)	21.04%	220.69%
7.	Total Operating Revenue	<u>20,184</u>	<u>20,740</u>	<u>20,807</u>	<u>20,604</u>	<u>19,627</u>	<u>0.70%</u>	<u>-2.68%</u>
8.	Operating Expenses	6,904	7,807	7,704	7,575	7,917	-3.36%	-11.57%
9.	Depreciation & Amortization	3,428	3,356	3,496	3,521	3,234	1.47%	2.15%
10.	Total Operating Taxes	<u>5,696</u>	<u>5,759</u>	<u>5,186</u>	<u>5,313</u>	<u>5,005</u>	<u>3.29%</u>	<u>-1.09%</u>
11.	Total Expenses, Depr. & Taxes	<u>16,028</u>	<u>16,922</u>	<u>16,386</u>	<u>16,409</u>	<u>16,156</u>	<u>-0.20%</u>	<u>-5.28%</u>
12.	Operating Income	<u>\$4,156</u>	<u>\$3,818</u>	<u>\$4,421</u>	<u>\$4,195</u>	<u>\$3,471</u>	<u>4.61%</u>	<u>8.85%</u>
13.	Net Plant Investment	<u>\$36,440</u>	<u>\$36,954</u>	<u>\$38,071</u>	<u>\$39,113</u>	<u>\$37,961</u>	<u>-1.02%</u>	<u>-1.39%</u>
14.	Oper. Exp. as a % of Total Revenue	34.21%	37.64%	37.03%	36.76%	40.34%	-4.04%	-9.11%
15.	Net Plt. Investment per \$ of Revenue	\$1.81	\$1.78	\$1.83	\$1.90	\$1.93	-1.59%	1.69%
16.	Local Access Lines:							
17.	Residential	23	23	24	24	25	-2.06%	0.00%
18.	Business	9	9	9	9	10	-2.60%	0.00%
19.	Total Local Access Lines	<u>32</u>	<u>32</u>	<u>33</u>	<u>33</u>	<u>35</u>	<u>-2.22%</u>	<u>0.00%</u>
20.	Total Access Lines:							
21.	Residential	23	23	24	24	25	-2.06%	0.00%
22.	Business	9	9	9	9	10	-2.60%	0.00%
23.	Total Access Lines	<u>32</u>	<u>32</u>	<u>33</u>	<u>33</u>	<u>35</u>	<u>-2.22%</u>	<u>0.00%</u>
24.	Estimated Overall Rate of Return	12.83%	12.07%	13.91%	13.16%	10.83%	4.33%	6.30%
25.	Estimated Return on Common Equity	12.91%	12.21%	14.13%	13.43%	11.07%	3.92%	5.73%
26.	Common Equity Ratio	97.41%	96.86%	96.37%	95.07%	93.43%	1.05%	0.57%
27.	Debt Ratio	2.59%	3.14%	3.63%	4.93%	6.44%	-20.37%	-17.52%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	105.39	113.70	112.08	69.77	48.94	21.14%	-7.31%
29.	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 OPERATIONAL DATA
North Carolina Operations (Regulated)
(Amounts in Thousands)

Line No.	<u>Item</u> (a)	Calendar Year December <u>2003</u> (b)
1.	Operating Revenue:	
2.	Basic Local Service	\$4,922
3.	Network Access	3,652
4.	Long Distance Message	133
5.	Miscellaneous	721
6.	Uncollectibles	<u>(75)</u>
7.	Total Operating Revenue	<u>9,353</u>
8.	Operating Expenses	4,600
9.	Depreciation & Amortization	1,540
10.	Total Operating Taxes	<u>1,806</u>
11.	Total Expenses, Depr. & Taxes	<u>7,946</u>
12.	Operating Income	<u>\$1,407</u>
13.	Net Telecommunications Plant	<u>\$10,845</u>
14.	Oper. Exp. as a % of Total Revenue	49.18%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.16

Notes: [1] MEBTEL Communications elected price regulation in September 1999.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for North Carolina regulated operations only, including plant under construction of \$521,930.

NORTH STATE COMMUNICATIONS
SELECTED FINANCIAL OPERATIONAL DATA
North Carolina Operations (Regulated)
(Amounts In Thousands)

Line No.	Item (a)	Calendar Year December 2003 (b)
1.	Operating Revenue:	
2.	Basic Local Service	\$36,372
3.	Network Access	36,348
4.	Long Distance Message	1,828
5.	Miscellaneous	7,188
6.	Uncollectibles	<u>(531)</u>
7.	Total Operating Revenue	<u>81,205</u>
8.	Operating Expenses	36,285
9.	Depreciation & Amortization	18,402
10.	Total Operating Taxes	<u>10,940</u>
11.	Total Expenses, Depr. & Taxes	<u>65,607</u>
12.	Operating Income	<u>\$15,598</u>
13.	Net Telecommunications Plant	<u>\$114,815</u>
14.	Oper. Exp. as a % of Total Revenue	44.66%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.41

Notes: [1] North State Communications elected price regulation in December 2002.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for North Carolina regulated operations only, including plant under construction, if any. North State Communications did not have any telecommunications plant under construction as of December 31, 2003.

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

<u>Line</u> <u>No.</u>	<u>Item</u> (a)	<u>Calendar Year</u> <u>December</u> <u>2003</u> (b)
1.	Operating Revenue:	
2.	Basic Local Service	\$127,385
3.	Network Access	123,594
4.	Long Distance Message	3,355
5.	Miscellaneous	41,743
6.	Uncollectibles	<u>(5,181)</u>
7.	Total Operating Revenue	<u>290,896</u>
8.	Operating Expenses	202,202
9.	Depreciation & Amortization	73,813
10.	Total Operating Taxes	<u>(414)</u>
11.	Total Expenses, Depr. & Taxes	<u>275,601</u>
12.	Operating Income	<u>\$15,295</u>
13.	Net Telecommunications Plant	<u>\$428,739</u>
14.	Oper. Exp. as a % of Total Revenue	69.51%
15.	Net Telecomm. Plt. per \$ of Revenue	\$1.47

Notes: [1] Verizon South, Inc. elected price regulation in June 1996.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction of \$1,726,474.

Quarterly Review Distribution ListChief Clerk

Geneva Thigpen (1 copy)

Commission Staff

Bob Bennink (6 copies)
 Don Hoover (12 copies)
 Mac Ellis (2 copies)

Public Staff

Robert Gruber, Exec. Dir. (1 copy)
 Nat Carpenter (1 copy)
 Bill Carter (9 copies)
 Jeff Davis (1 copy)
 Tom Farmer (3 copies)
 Ken Rudder (1 copy)
 Lynn Pearce (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
 N.C. Electric Membership Corporation
 P.O. Box 27306
 Raleigh, North Carolina 27611

David Baker
 North Carolina Department of Revenue
 Property Tax Division
 P.O. Box 871
 Raleigh, North Carolina 27602

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

Ann H. Boggs, Director - Gas Accounting
 Piedmont Natural Gas Company
 P.O. Box 33068
 Charlotte, North Carolina 28233

Janice Carney
 Electricities of North Carolina
 P.O. Box 29513
 Raleigh, North Carolina 27626-0513

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

Joe W. Foster
 VP Public Policy & External Affairs
 Verizon South, Inc.
 MC NC 103107
 5003 S. Miami Boulevard
 Durham, North Carolina 27703

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

Janice Hager, Vice President
 Rates & Regulatory Affairs
 Duke Power Company
 P.O. Box 1244
 Charlotte, North Carolina 28201-1244

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

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, PLLC
 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, Ste. 100
 Raleigh, North Carolina 27612

James P. West, Esquire
 West Law Offices, P.C.
 P.O. 1568
 Raleigh, North Carolina 27602

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