

Quarterly Review

Selected Financial and Operational Data:

Re:

Electric Companies

- *Carolina Power & Light Company*
- *Duke Power Company*
- *Nantahala Power and Light Company*
- *North Carolina Power*

Natural Gas Local Distribution Companies

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

Telecommunications Companies

- *ALLTEL Carolina, Inc.*
- *BellSouth Telecommunications, Inc.*
- *Carolina Telephone and Telegraph Company*
- *Central Telephone Company*
- *Citizens Telephone Company*
- *Concord Telephone Company*
- *GTE South Incorporated*
- *Lexcom Telephone, Inc.*
- *MEBTEL Communications*
- *North State Telephone Company*

■ *Quarter Ending March 31, 1998* ■

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Part I

Introduction

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

The *Quarterly Review* has been designed and is structured so as to provide, in a clear and concise format, relevant and useful financial and operational information pertaining to 18 major investor-owned public utilities regulated by the North Carolina Utilities Commission (Commission): four electric companies, four natural gas local distribution companies, and ten telecommunications companies. The primary focus of this report is one of a jurisdictional financial nature. However, albeit limited, certain jurisdictional operational information is also included.

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

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

A Specific Objective

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

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

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

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

The Key Financial Ratios

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

The Return on Common Equity

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

The Common Equity Capitalization Ratio

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

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

context within which the information is to be used. Since a major objective of this report is to review the reasonableness of the levels of earnings of the companies' common stockholders, and in consideration of the other key financial benchmarks which are also presented herein, the common equity capitalization ratio appears to be the most appropriate and meaningful measure of the financial riskiness of the companies for use in this regard.

The Pre-tax Interest Coverage Ratio

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

The Overall Rate of Return

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

The Propriety of The Methodology

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

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

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

From the standpoint of giving a measure of meaning to the aforesaid ratios of the individual companies and in the interest of providing a sense of current financial market conditions, certain financial information has been included herein as notes to the first statement included in Part II of this report. Such notes are an integral part of this report. Additionally, also from the standpoint of providing perspective, returns on common equity and overall rates of return currently being authorized by a number of other public utility regulatory agencies are provided in the second statement presented in Part II.

A Final Note

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

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

Part II

A Review of Key Financial Ratios

- ▣ ***Summary Statement of Key Financial Ratios For 18 Selected Companies For The Twelve Months Ended March 31, 1998 — 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. 170-186, from July 1996 Through August 1998***

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, 1998, 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 3/31/98				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	12.15%	9.65%	55.01%	4.98	12.75%	10.45%	44.00%	08/05/88
2.	Duke Power Company	12.13%	9.96%	54.20%	4.08	12.50%	10.44%	49.82%	11/12/91
3.	Nantahala Power and Light Company	10.86%	9.12%	49.34%	3.35	12.10%	10.32%	56.11%	06/18/93
4.	North Carolina Power	12.09%	9.55%	47.45%	4.00	11.80%	9.48%	44.82%	02/26/93
Natural Gas Local Distribution Companies									
5.	North Carolina Gas Service, Division of NUI	N/A	N/A	N/A	N/A	11.40%	9.16%	47.57%	09/20/95
6.	North Carolina Natural Gas Corporation	13.70%	11.47%	60.67%	5.27	N/A	10.09%	N/A	10/27/95
7.	Piedmont Natural Gas Company, Inc.	15.05%	11.67%	52.19%	4.34	N/A	N/A	N/A	10/23/96
8.	Public Service Company of North Carolina, Inc.	11.70%	9.80%	48.82%	3.26	11.87%	10.51%	50.00%	01/26/95
Telecommunications Companies									
9.	ALLTEL Carolina, Inc.	21.47%	16.17%	61.04%	7.70	13.20%	10.33%	42.11%	11/25/86
10.	BellSouth Telecommunications, Inc. *	16.15%	11.95%	57.38%	7.30	15.00%	12.51%	54.80%	11/09/84
11.	Carolina Telephone and Telegraph Company *	16.59%	12.53%	60.75%	7.65	15.25%	11.82%	48.40%	03/30/83
12.	Central Telephone Company *	12.60%	12.60%	88.21%	12.61	15.50%	12.09%	48.30%	06/22/83
13.	Citizens Telephone Company	16.64%	12.86%	55.68%	4.75	12.70%	10.11%	44.95%	02/26/91
14.	Concord Telephone Company *	22.92%	20.39%	84.96%	42.30	15.50%	12.11%	58.59%	06/17/83
15.	GTE South Incorporated *	8.62%	8.73%	63.23%	3.56	13.90%	11.82%	50.00%	09/16/86
16.	Lexcom Telephone, Inc.	4.90%	5.51%	81.25%	10.86	16.25%	12.77%	37.22%	06/14/82
17.	MEBTEL Communications	17.98%	12.39%	38.86%	2.59	16.50%	5.92%	16.92%	11/26/79
18.	North State Telephone Company	16.43%	15.95%	95.14%	116.85	N/A	N/A	N/A	06/13/52

NOTES:

[1] Companies electing price regulation are denoted above with an asterisk. For those companies, with the exception of Concord Telephone Company, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996; therefore, the data for such companies included herein is updated annually beginning with the calendar year 1996. Regarding Concord Telephone Company, which has more recently elected price regulation, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1997. Thus, the data for Concord will be updated annually beginning with the calendar year 1997.

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

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

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Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios are for
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"Rate Case Data are from Orders with Various Issue Dates as Indicated in Column (i)"

NOTES - continued

NOTES: [4] Standard and Poor's 1994 annual "Global Sector Review" reflects the following benchmark-ratio ranges for total debt capitalization ratios and pre-tax interest coverage ratios for electric utilities and natural gas local distribution companies; telecommunications utilities are not included in that publication:

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

[6] Selected financial market indicators from "Moody's Credit Perspectives", Volume 91, No. 38, September 21, 1998 follow:

Part I

Line No.	Date (a)	U.S. Treasury Securities			Dealer-Placed	Moody's
		3-Month Bill % (b)	10-Year Note % (c)	30-Year Bond % (d)	3-Month CP % (e)	Long-Term Corporate Bond Yield % (f)
1.	September 17, 1998	4.53	4.77	5.18	5.33	6.74
2.	Month of August 1998	4.90	5.32	5.53	5.50	6.83
3.	Month of July 1998	4.96	5.45	5.67	5.50	6.84
4.	Past 12 Months:					
5.	Average	5.01	5.68	5.94	5.52	7.01
6.	Low	5.72	4.95	5.24	5.37	6.83
7.	High	5.32	6.38	6.69	5.75	7.40

Part II

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

Line No.	Rating (a)	09/17/98 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	Aug. 1998 (e)	July 1998 (f)
1.	Aaa	6.65	7.45	6.75	6.75	6.80
2.	Aa	6.77	7.54	6.87	6.87	6.91
3.	A	6.92	7.58	7.00	7.00	7.03

Summary Statement
Of Key Financial Ratios Achieved By
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Twelve Months Ended March 31, 1998, Except for Certain Telecommunications Companies - See Note [1]"

NOTES - continued

NOTES: [6] Selected financial market indicators from "Moody's Credit Perspectives", Volume 91, No. 38, September 21, 1998 follow - continued:

Part III

New offerings by public utilities - listing is all inclusive for week of September 21, 1998:

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield		Rating (f)
				Current (d)	Maturity (e)	
1.	Northern Natural Gas Co.	\$150 Million	10 Years	6.75%	6.75%	Baa1
2.	Idaho Power Company	\$60 Million	7 Years	5.83%	--	A2
3.	Illinois Power Company	\$100 Million	5 Years	6.00%	5.934%	Baa1
4.	Emerson Electric Company	\$250 Million	10 Years	5.50%	5.62%	Aa1

**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. 170-186, from July 1996 through August 1998**

(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)		
Electric Companies					
1.	PacifiCorp, dba Pacific Power and Light Co. (OR)	N/A	N/A	07/10/96	Volume 171
2.	PSI Energy, Inc. (IN)	11.00%	8.21%	09/27/96	Volume 173
3.	Hawaii Electric Light Company, Inc. (HI)	11.62%	9.34%	04/02/97	Volume 178
4.	Green Mountain Power Corporation (VT)	11.25%	N/A	02/27/98	Volume 184
Natural Gas Local Distribution Companies					
5.	Minnegasco, a Div. of NorAm Energy Corp. (MN)	11.00%	9.76%	06/10/96	Volume 170
6.	Western Resources, Inc.(KS)	10.50%	8.93%	04/13/96	Volume 171
7.	Northern States Power Company (ND)	12.00%	9.405%	08/07/96	Volume 171
8.	Laclede Gas Company (MO)	11.00%	N/A	08/28/96	Volume 172
9.	PNM Gas Services, a Div. of Public Ser. Co. of N.M.	11.00%	9.17%	02/13/97	Volume 176
10.	Michigan Gas Utilities (MI)	10.75%	8.42%	03/27/97	Volume 177
Telecommunications Companies					
11.	U S West Communications, Inc., (OR)	10.20%	N/A	05/19/97	Volume 178
12.	U S West Communications, Inc. (ID)	11.20%	9.43%	08/12/97	Volume 179
13.	Vermont Telephone Company, Inc. (VT)	11.90%	10.18%	11/10/97	Volume 182
14.	U S West Communications, Inc. (UT)	11.50%	9.76%	12/04/97	Volume 183

**Statement of Authorized Returns
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(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					
15.	Venture Associates Utilities Corp. (FL)	10.35%	N/A	06/18/96	Volume 170
16.	San Gabriel Valley Water Company (CA)	10.30%	9.73-10.03%	07/17/96	Volume 171
17.	Kentucky-American Water Company (KY)	13.00%	N/A	07/31/96	Volume 172
18.	Prudence Island Utilities Corporation (RI)	10.9%	N/A	02/14/97	Volume 176
19.	Princeville Utilities Company, Inc. (HI)	N/A	10.00%	11/04/97	Volume 181
20.	United Water Pennsylvania, Inc. (PA)	11.00%	N/A	01/30/98	Volume 184

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

Part III

Overviews of Selected Financial and Operational Data By Utility:

- ▣ ***Electric Companies***
 - ***Carolina Power & Light Company***
 - ***Duke Power Company***
 - ***Nantahala Power and Light Company***
 - ***North Carolina Power***

- ▣ ***Natural Gas Local Distribution Companies***
 - ***North Carolina Gas Service, Division of NUI***
 - ***North Carolina Natural Gas Corporation***
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CAROLINA POWER & LIGHT COMPANY
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts in Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1999 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,187,828	\$2,068,451	\$2,118,909	\$1,970,549	\$2,007,261	2.18%	5.77%
2.	Operating Expenses:							
3.	Fuel	392,806	340,035	349,915	337,909	354,379	2.61%	15.52%
4.	Purchased Power	278,729	254,214	276,596	251,875	256,970	2.05%	9.64%
5.	Maintenance	129,204	151,785	141,694	137,699	150,874	-3.80%	-14.88%
6.	Other Operating Expenses	348,751	374,869	389,157	369,915	354,527	-0.55%	-7.50%
7.	Total Operating Expenses	1,147,490	1,120,903	1,157,362	1,097,398	1,116,750	0.68%	2.37%
8.	Depreciation & Amortization	364,597	313,533	276,461	276,874	295,389	5.40%	16.29%
9.	Total Expenses & Depreciation	1,512,087	1,434,436	1,435,823	1,374,272	1,412,139	1.72%	5.41%
10.	Total Operating Taxes	303,858	296,274	310,165	252,615	250,965	4.90%	2.56%
11.	Total Expenses, Depr. & Taxes	1,815,945	1,730,710	1,745,988	1,626,887	1,663,104	2.22%	4.92%
12.	Operating Income	<u>\$371,883</u>	<u>\$337,741</u>	<u>\$372,921</u>	<u>\$343,662</u>	<u>\$344,157</u>	1.96%	10.11%
13.	Net Plant Investment	<u>\$4,330,307</u>	<u>\$4,366,075</u>	<u>\$4,211,881</u>	<u>\$4,054,054</u>	<u>\$4,038,717</u>	1.76%	-0.82%
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14.	Oper. Exp. as a % of Total Revenue	52.45%	54.19%	54.62%	55.69%	55.64%	-1.47%	-3.21%
15.	Net Plt. Investment per \$ of Revenue	\$1.98	\$2.11	\$1.99	\$2.06	\$2.01	-0.38%	-6.16%
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16.	Number of Customers Served:							
17.	Residential	846	822	799	779	749	3.09%	2.92%
18.	Commercial	146	141	137	130	132	2.55%	3.55%
19.	Industrial	4	4	4	4	4	0.00%	0.00%
20.	Other	2	2	2	2	2	0.00%	0.00%
21.	Total Number of Customers	<u>998</u>	<u>969</u>	<u>942</u>	<u>915</u>	<u>887</u>	2.99%	2.99%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	10,716	10,403	10,591	9,425	9,851	2.13%	3.01%
24.	Commercial	8,568	8,197	7,974	6,938	7,350	3.91%	4.53%
25.	Industrial	11,570	11,317	10,964	10,960	10,435	2.61%	2.24%
26.	Other	5,950	4,013	4,402	2,020	1,393	43.76%	48.27%
27.	Total Sales	<u>36,804</u>	<u>33,930</u>	<u>33,931</u>	<u>29,343</u>	<u>29,029</u>	6.11%	8.47%
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28.	Estimated Overall Rate of Return	9.65%	8.93%	10.13%	9.66%	9.62%	0.08%	8.06%
29.	Estimated Return on Common Equity	12.15%	10.73%	13.15%	12.37%	12.24%	-0.18%	13.23%
30.	Common Equity Ratio	55.01%	53.59%	49.52%	49.47%	48.48%	3.21%	2.65%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.98	4.59	4.38	4.02	3.80	6.99%	8.50%
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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 except for data in Italics [Lines 28 - 31, Column (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,848,394	\$2,867,228	\$2,831,555	\$2,664,569	\$2,713,716	1.22%	-0.66%
2.	Operating Expenses:							
3.	Fuel	433,812	480,158	468,655	428,028	433,375	0.03%	-9.65%
4.	Purchased Power	260,094	282,500	284,617	297,790	314,094	-4.61%	-7.93%
5.	Maintenance	263,654	308,787	296,314	277,017	248,906	1.45%	-14.62%
6.	Other Operating Expenses	593,719	539,579	545,244	511,723	460,811	6.54%	10.03%
7.	Total Operating Expenses	1,551,279	1,611,024	1,594,830	1,514,558	1,457,186	1.58%	-3.71%
8.	Depreciation & Amortization	332,465	323,686	302,426	293,809	313,247	1.50%	2.71%
9.	Total Expenses & Depreciation	1,883,744	1,934,710	1,897,256	1,808,367	1,770,433	1.56%	-2.63%
10.	Total Operating Taxes	445,501	426,080	428,552	392,492	430,331	0.87%	4.56%
11.	Total Expenses, Depr. & Taxes	2,329,245	2,360,790	2,325,808	2,200,859	2,200,764	1.43%	-1.34%
12.	Operating Income	\$519,149	\$506,438	\$505,747	\$463,710	\$512,952	0.30%	2.51%
13.	Net Plant Investment	\$6,040,112	\$6,014,686	\$5,922,926	\$5,641,268	\$5,575,172	2.02%	0.42%
14.	Oper. Exp. as a % of Total Revenue	54.46%	56.19%	56.32%	56.84%	53.70%	0.35%	-3.08%
15.	Net Plt. Investment per \$ of Revenue	\$2.12	\$2.10	\$2.09	\$2.12	\$2.05	0.84%	0.95%
16.	Number of Customers Served:							
17.	Residential	1,226	1,198	1,169	1,139	1,116	2.38%	2.34%
18.	Commercial	193	188	183	177	172	2.92%	2.66%
19.	Industrial	7	7	7	7	7	0.00%	0.00%
20.	Other	7	7	6	6	6	3.93%	0.00%
21.	Total Number of Customers	1,433	1,400	1,365	1,329	1,301	2.45%	2.36%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	15,272	15,223	15,399	14,052	14,942	0.55%	0.32%
24.	Commercial	15,394	15,049	14,559	13,701	13,490	3.36%	2.29%
25.	Industrial	18,007	17,547	17,496	17,441	16,841	1.69%	2.62%
26.	Other	218	204	198	193	187	3.91%	6.86%
27.	Total Sales	48,891	48,023	47,652	45,387	45,460	1.84%	1.81%
28.	Estimated Overall Rate of Return	9.96%	9.62%	9.87%	9.39%	10.45%	-1.19%	3.53%
29.	Estimated Return on Common Equity	12.13%	11.56%	12.07%	11.31%	13.44%	-2.53%	4.93%
30.	Common Equity Ratio	54.20%	53.69%	52.78%	51.77%	51.15%	1.46%	0.95%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.08	4.82	4.93	4.65	3.63	2.96%	-15.35%
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 66% of total company electric utility revenue.

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

[3] Source of Data: NCUC ES-1 Reports except for data in italics [Lines 28-31, Column (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual	
		March 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Growth Year (g)	Rate Current Year (h)
1.	Operating Revenue	\$63,755	\$59,663	\$66,953	\$61,626	\$67,491	-1.41%	6.86%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	86	819	9,976	7,045	12,115	-70.97%	-89.50%
4.	Purchased Power - Regular	25,619	24,299	25,702	22,861	23,767	1.89%	5.43%
5.	Maintenance	4,725	4,875	5,551	4,108	5,315	-2.90%	-3.08%
6.	Other Operating Expenses	<u>7,793</u>	<u>7,654</u>	<u>7,733</u>	<u>8,144</u>	<u>8,241</u>	<u>-1.39%</u>	<u>1.82%</u>
7.	Total Operating Expenses	38,223	37,647	48,962	42,158	49,438	-6.23%	1.53%
8.	Depreciation & Amortization	<u>5,327</u>	<u>4,590</u>	<u>4,999</u>	<u>4,530</u>	<u>3,992</u>	<u>7.48%</u>	<u>16.06%</u>
9.	Total Expenses & Depreciation	43,550	42,237	53,961	46,688	53,430	-4.98%	3.11%
10.	Total Operating Taxes	8,930	8,297	6,000	7,252	7,016	6.22%	7.63%
11.	Total Expenses, Depr. & Taxes	<u>52,480</u>	<u>50,534</u>	<u>59,961</u>	<u>53,940</u>	<u>60,446</u>	<u>-3.47%</u>	<u>3.85%</u>
12.	Operating Income	<u>\$11,275</u>	<u>\$9,129</u>	<u>\$6,992</u>	<u>\$7,686</u>	<u>\$7,045</u>	<u>12.48%</u>	<u>23.51%</u>
13.	Net Plant Investment	<u>\$130,141</u>	<u>\$113,776</u>	<u>\$105,041</u>	<u>\$77,116</u>	<u>\$68,555</u>	<u>17.38%</u>	<u>14.38%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	59.95%	63.10%	73.13%	68.41%	73.25%	-4.89%	-4.99%
15.	Net Plt. Investment per \$ of Revenue	\$2.04	\$1.91	\$1.57	\$1.25	\$1.02	18.92%	6.81%
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16.	Number of Customers Served:							
17.	Residential	51	50	48	47	46	2.61%	2.00%
18.	Commercial	6	6	6	6	6	0.00%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	0	0	0	0	0	N/A	N/A
21.	Total Number of Customers	<u>57</u>	<u>56</u>	<u>54</u>	<u>53</u>	<u>52</u>	<u>2.32%</u>	<u>1.79%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	490	461	475	430	454	1.93%	6.29%
24.	Commercial	323	319	310	288	274	4.20%	1.25%
25.	Industrial	132	115	111	108	116	3.28%	14.78%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	<u>947</u>	<u>897</u>	<u>898</u>	<u>828</u>	<u>846</u>	<u>2.86%</u>	<u>5.57%</u>
<hr/>								
28.	Estimated Overall Rate of Return	9.12%	8.09%	7.05%	10.17%	10.87%	-4.29%	12.73%
29.	Estimated Return on Common Equity	10.86%	8.54%	6.48%	11.55%	12.93%	-3.43%	27.17%
30.	Common Equity Ratio	49.34%	57.87%	62.91%	60.80%	57.95%	-3.94%	-14.74%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.35	3.68	2.98	4.68	4.64	-7.82%	-8.97%
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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 95% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports except for data in Italics [Lines 28 - 31, Column (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$217,715	\$208,939	\$208,877	\$190,061	\$190,505	3.39%	4.20%
2.	Operating Expenses:							
3.	Fuel	17,359	27,324	27,402	24,003	26,422	-9.97%	-36.47%
4.	Purchased Power	59,877	54,331	49,089	44,736	40,061	10.57%	10.21%
5.	Maintenance	10,765	13,460	13,062	12,937	13,079	-4.75%	-20.02%
6.	Other Operating Expenses	<u>30,040</u>	<u>29,677</u>	<u>30,627</u>	<u>28,430</u>	<u>25,498</u>	4.18%	1.22%
7.	Total Operating Expenses	118,041	124,792	120,180	110,106	105,060	2.96%	-5.41%
8.	Depreciation & Amortization	<u>27,868</u>	<u>25,496</u>	<u>23,890</u>	<u>22,273</u>	<u>22,147</u>	5.72%	8.52%
9.	Total Expenses & Depreciation	145,709	150,288	144,070	132,379	127,207	3.45%	-3.05%
10.	Total Operating Taxes	<u>30,107</u>	<u>25,266</u>	<u>26,718</u>	<u>24,546</u>	<u>27,421</u>	2.36%	19.16%
11.	Total Expenses, Depr. & Taxes	<u>175,816</u>	<u>175,554</u>	<u>170,788</u>	<u>156,925</u>	<u>154,628</u>	3.26%	0.15%
12.	Operating Income	<u>\$41,899</u>	<u>\$33,385</u>	<u>\$36,089</u>	<u>\$33,136</u>	<u>\$35,877</u>	<u>3.96%</u>	<u>25.50%</u>
13.	Net Plant Investment	<u>\$439,251</u>	<u>\$448,934</u>	<u>\$439,648</u>	<u>\$404,639</u>	<u>\$397,538</u>	<u>2.53%</u>	<u>-2.16%</u>
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14.	Oper. Exp. as a % of Total Revenue	54.22%	59.73%	58.09%	57.93%	55.15%	-0.42%	-9.22%
15.	Net Plt. Investment per \$ of Revenue	\$2.02	\$2.15	\$2.13	\$2.13	\$2.09	-0.85%	-6.05%
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16.	Number of Customers Served:							
17.	Residential	89	87	86	84	82	2.07%	2.30%
18.	Commercial	13	13	13	13	13	0.00%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	2	2	2	2	2	0.00%	0.00%
21.	Total Number of Customers	<u>104</u>	<u>102</u>	<u>101</u>	<u>99</u>	<u>97</u>	<u>1.76%</u>	<u>1.96%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,112	1,081	1,128	1,004	1,029	1.96%	2.87%
24.	Commercial	630	621	637	596	591	1.61%	1.45%
25.	Industrial	1,266	1,262	1,186	1,157	1,023	5.47%	0.32%
26.	Other	<u>109</u>	<u>113</u>	<u>120</u>	<u>110</u>	<u>111</u>	<u>-0.45%</u>	<u>-3.54%</u>
27.	Total Sales	<u>3,117</u>	<u>3,077</u>	<u>3,071</u>	<u>2,887</u>	<u>2,754</u>	<u>3.14%</u>	<u>1.30%</u>
<hr/>								
28.	Estimated Overall Rate of Return	9.55%	7.62%	8.84%	8.74%	<u>9.51%</u>	0.10%	25.33%
29.	Estimated Return on Common Equity	12.09%	7.93%	10.58%	10.65%	<u>12.31%</u>	-0.45%	52.46%
30.	Common Equity Ratio	47.45%	46.82%	45.36%	45.18%	<u>44.49%</u>	1.62%	1.35%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.00	3.01	3.44	3.40	<u>3.02</u>	7.28%	32.89%
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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 except for data in Italics [Lines 28 - 31, Column (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

NORTH CAROLINA GAS SERVICE, DIVISION OF NUI
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Retail Jurisdiction
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$7,080	N/A	\$5,929	\$5,384	\$5,437	N/A	N/A
3.	Commercial	3,173	N/A	2,932	2,979	2,952	N/A	N/A
4.	Industrial	4,116	N/A	5,355	7,072	6,542	N/A	N/A
5.	Public Authorities	0	N/A	0	0	0	N/A	N/A
6.	Resale	1,971	N/A	0	0	0	N/A	N/A
7.	Other	2,722	N/A	1,349	510	201	N/A	N/A
8.	Total Operating Revenue	19,062	N/A	15,565	15,945	15,132	N/A	N/A
9.	Cost of Gas	11,815	N/A	8,811	9,692	9,785	N/A	N/A
10.	Margin	7,247	N/A	6,754	6,253	5,347	N/A	N/A
11.	O & M Expenses	3,675	N/A	3,626	4,015	3,366	N/A	N/A
12.	Other Deductions	2,115	N/A	1,431	1,502	1,797	N/A	N/A
13.	Operating Income	<u>\$1,457</u>	N/A	<u>\$1,697</u>	<u>\$736</u>	<u>\$184</u>	N/A	N/A
14.	Net Plant Investment	<u>\$14,128</u>	N/A	<u>\$10,891</u>	<u>\$11,669</u>	<u>\$10,377</u>	N/A	N/A
15.	Operating Exp. as a % of Margin	50.71%	N/A	53.69%	64.21%	62.95%	N/A	N/A
16.	Net Plt. Investment per \$ of Margin	\$1.95	N/A	\$1.61	\$1.87	\$1.94	N/A	N/A
17.	Gas Delivered in DTs:							
18.	Residential	822	N/A	913	784	888	N/A	N/A
19.	Commercial	459	N/A	566	537	588	N/A	N/A
20.	Industrial	932	N/A	1,545	2,119	2,048	N/A	N/A
21.	Public Authorities	0	N/A	0	0	0	N/A	N/A
22.	Resale	0	N/A	0	0	0	N/A	N/A
23.	Other	1,528	N/A	911	535	30	N/A	N/A
24.	Total DTs	3,741	N/A	3,935	3,975	3,554	N/A	N/A
25.	Number of Customers:							
26.	Residential	12	N/A	11	11	10	N/A	N/A
27.	Commercial	2	N/A	2	2	2	N/A	N/A
28.	Industrial	0	N/A	0	0	0	N/A	N/A
29.	Public Authorities	0	N/A	0	0	0	N/A	N/A
30.	Resale	0	N/A	0	0	0	N/A	N/A
31.	Other	0	N/A	0	3	0	N/A	N/A
32.	Total Number of Customers	14	N/A	13	16	12	N/A	N/A
33.	Estimated Overall Rate of Return	N/A	N/A	11.37%	8.44%	1.70%	N/A	N/A
34.	Estimated Return on Common Equity	N/A	N/A	13.00%	9.49%	-5.23%	N/A	N/A
35.	Common Equity Ratio	N/A	N/A	44.22%	53.14%	53.21%	N/A	N/A
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	N/A	N/A	2.77	3.29	1.59	N/A	N/A
37.	LAST RATE CASE	Authorized Returns: Common Equity 11.40%, Overall 9.18%; Equity Ratio: 47.57%; Date of Order: 9-20-95						

Notes: [1] North Carolina retail jurisdictional revenue equates to 3% of total company gas utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: Shareholders' reports and the NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Column (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data has not been provided due to ongoing changes occurring within the Company's internal operational structure.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$46,713	\$47,622	\$40,063	\$31,987	\$37,346	5.75%	-1.91%
3.	Commercial	31,263	31,529	24,775	21,154	24,277	6.53%	-0.84%
4.	Industrial	51,241	74,967	65,481	60,479	75,128	-9.12%	-31.65%
5.	Public Authorities	1,913	1,999	1,941	1,665	2,232	-3.78%	-4.30%
6.	Resale	16,865	25,577	25,783	16,484	23,595	-8.05%	-34.06%
7.	Other	26,879	17,435	21,045	10,799	9,952	28.20%	54.17%
8.	Total Operating Revenue	174,874	199,129	179,088	142,568	172,530	0.34%	-12.18%
9.	Cost of Gas	99,809	126,504	114,604	87,420	116,338	-3.76%	-21.10%
10.	Margin	75,065	72,625	64,484	55,148	56,192	7.51%	3.36%
11.	O & M Expenses	25,922	24,937	21,343	20,027	18,958	8.14%	3.95%
12.	Other Deductions	28,580	27,845	24,965	20,700	21,519	7.35%	2.64%
13.	Operating Income	<u>\$20,563</u>	<u>\$19,843</u>	<u>\$18,176</u>	<u>\$14,421</u>	<u>\$15,715</u>	6.95%	3.63%
14.	Net Plant Investment	<u>\$201,078</u>	<u>\$184,269</u>	<u>\$179,051</u>	<u>\$166,155</u>	<u>\$153,824</u>	6.93%	9.12%
15.	Operating Exp. as a % of Margin	34.53%	34.34%	33.10%	36.32%	33.74%	0.58%	0.55%
16.	Net Plt. Investment per \$ of Margin	\$2.68	\$2.54	\$2.78	\$3.01	\$2.74	-0.55%	5.51%
17.	Gas Delivered in DTs:							
18.	Residential	6,007	6,090	6,343	5,202	5,726	1.20%	-1.36%
19.	Commercial	5,273	5,171	5,212	4,457	4,624	3.34%	1.97%
20.	Industrial	12,678	17,891	19,391	18,229	19,665	-10.39%	-29.14%
21.	Public Authorities	319	334	389	359	423	-6.81%	-4.49%
22.	Resale	3,108	5,284	7,355	4,150	5,582	-13.62%	-41.18%
23.	Other	28,039	19,201	15,023	15,055	11,639	24.58%	46.03%
24.	Total DTs	55,424	53,971	53,713	47,452	47,659	3.85%	2.69%
25.	Number of Customers:							
26.	Residential	97	93	90	86	81	4.61%	4.30%
27.	Commercial	13	13	12	12	11	4.26%	0.00%
28.	Industrial	0	0	1	1	1	N/A	N/A
29.	Public Authorities	4	5	5	5	5	-5.43%	-20.00%
30.	Resale	46	44	41	39	37	5.59%	4.55%
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	160	155	149	143	135	4.34%	3.23%
33.	Estimated Overall Rate of Return	11.47%	12.05%	10.54%	9.33%	9.85%	3.88%	-4.81%
34.	Estimated Return on Common Equity	13.70%	14.56%	11.94%	11.16%	14.10%	-0.72%	-5.91%
35.	Common Equity Ratio	60.67%	60.45%	60.57%	58.84%	69.60%	-3.37%	0.36%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.27	5.41	4.62	4.22	5.08	1.02%	-2.59%
37.	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 except for data in Italics [Lines 33 - 36, Column (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$192,785	\$195,520	\$158,775	\$132,380	\$143,395	7.68%	-1.40%
3.	Commercial	102,549	108,187	86,695	75,246	90,334	3.22%	-5.21%
4.	Industrial	79,760	101,450	77,562	55,843	101,605	-5.87%	-21.38%
5.	Public Authorities	3,201	3,322	2,737	2,587	3,063	1.11%	-3.64%
6.	Resale	0	67	2,149	3,110	4	N/A	N/A
7.	Other	75,958	60,330	16,268	27,072	6,729	83.30%	25.90%
8.	Total Operating Revenue	454,253	468,876	344,186	296,238	345,130	7.11%	-3.12%
9.	Cost of Gas	265,247	290,207	186,495	151,664	212,274	5.73%	-8.60%
10.	Margin	189,006	178,669	157,691	144,574	132,856	9.21%	5.79%
11.	O & M Expenses	69,880	72,175	65,987	63,613	59,908	3.92%	-3.18%
12.	Other Deductions	64,928	60,221	51,750	43,954	40,791	12.32%	7.82%
13.	Operating Income	<u>\$54,198</u>	<u>\$46,273</u>	<u>\$39,954</u>	<u>\$37,007</u>	<u>\$32,157</u>	<u>13.94%</u>	<u>17.13%</u>
14.	Net Plant Investment	<u>\$485,330</u>	<u>\$460,479</u>	<u>\$426,475</u>	<u>\$403,566</u>	<u>\$352,391</u>	<u>8.33%</u>	<u>5.40%</u>
15.	Operating Exp. as a % of Margin	36.97%	40.40%	41.85%	44.00%	45.09%	-4.84%	-8.49%
16.	Net Plt. Investment per \$ of Margin	\$2.57	\$2.58	\$2.70	\$2.79	\$2.65	-0.76%	-0.39%
17.	Gas Delivered in DTs:							
18.	Residential	24,702	23,251	24,132	19,648	21,623	3.38%	6.24%
19.	Commercial	16,205	15,673	15,634	13,319	16,224	-0.03%	3.39%
20.	Industrial	18,457	21,854	20,140	15,193	26,255	-8.43%	-15.54%
21.	Public Authorities	482	468	511	473	546	-3.07%	2.99%
22.	Resale	0	(74)	832	1,146	1	N/A	N/A
23.	Other	42,550	31,149	17,116	21,258	5,608	65.97%	36.60%
24.	Total DTs	102,396	92,321	78,365	71,037	70,257	9.87%	10.91%
25.	Number of Customers:							
26.	Residential	320	301	281	272	256	5.74%	6.31%
27.	Commercial	38	37	35	34	33	3.59%	2.70%
28.	Industrial	2	2	2	2	1	18.92%	0.00%
29.	Public Authorities	6	6	6	6	6	0.00%	0.00%
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	1	0	N/A	N/A
32.	Total Number of Customers	366	346	324	315	296	5.45%	5.78%
33.	Estimated Overall Rate of Return	11.67%	10.82%	10.03%	10.09%	8.88%	7.07%	7.86%
34.	Estimated Return on Common Equity	15.05%	14.00%	11.70%	12.25%	12.12%	5.56%	7.50%
35.	Common Equity Ratio	52.19%	49.84%	52.27%	48.96%	53.83%	-0.77%	4.72%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.34	3.91	3.51	3.38	3.48	5.68%	11.00%
37.	LAST RATE CASE	Authorized Returns: Common Equity N/A, Overall N/A; Equity Ratio: N/A; Date of Order: 10-23-96						

Notes: [1] The Company is currently in the process of verifying certain aspects of its GS-1 Report for the 12 months ended March 31, 1998. Therefore, there may be a subsequent need to revise the information and data presented herein.
[2] North Carolina retail jurisdictional revenue equates to 59% of total company gas utility revenue.
[3] Net Plant Investment reflects net plant in service.
[4] Source of Data: Shareholders' reports and the NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Column (f)] which is from past Commission Surveillance Reports.
[5] 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 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$187,596	\$178,229	\$153,822	\$134,795	\$137,559	8.06%	5.26%
3.	Commercial	86,427	86,091	74,167	67,166	71,602	4.82%	0.39%
4.	Industrial	24,707	38,106	35,529	23,310	41,120	-11.96%	-35.16%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	0	0	3,679	12,158	16,355	N/A	N/A
7.	Other	<u>39,390</u>	<u>33,280</u>	<u>18,147</u>	<u>21,125</u>	<u>13,786</u>	<u>30.01%</u>	<u>18.36%</u>
8.	Total Operating Revenue	<u>338,120</u>	<u>335,706</u>	<u>285,344</u>	<u>258,554</u>	<u>280,422</u>	<u>4.79%</u>	<u>0.72%</u>
9.	Cost of Gas	181,605	184,358	147,050	130,538	164,437	2.51%	-1.49%
10.	Margin	156,515	151,348	138,294	128,016	115,985	7.78%	3.41%
11.	O & M Expenses	60,630	58,687	53,584	49,980	48,514	5.73%	3.31%
12.	Other Deductions	55,957	54,120	48,786	44,556	38,099	10.09%	3.39%
13.	Operating Income	<u>\$39,928</u>	<u>\$38,541</u>	<u>\$35,924</u>	<u>\$33,480</u>	<u>\$29,372</u>	<u>7.98%</u>	<u>3.60%</u>
14.	Net Plant Investment	<u>\$465,695</u>	<u>\$430,396</u>	<u>\$393,557</u>	<u>\$360,824</u>	<u>\$339,153</u>	<u>8.25%</u>	<u>8.20%</u>
15.	Operating Exp. as a % of Margin	38.74%	38.78%	38.75%	39.04%	41.83%	-1.90%	-0.10%
16.	Net Plt. Investment per \$ of Margin	\$2.98	\$2.84	\$2.85	\$2.82	\$2.92	0.51%	4.93%
17.	Gas Delivered in DTs:							
18.	Residential	20,934	20,005	21,329	17,554	19,132	2.28%	4.64%
19.	Commercial	12,705	12,759	13,680	11,839	12,564	0.28%	-0.42%
20.	Industrial	5,012	8,035	8,998	5,868	9,781	-15.39%	-37.62%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22.	Resale	0	0	0	0	0	N/A	N/A
23.	Other	<u>29,544</u>	<u>23,676</u>	<u>19,473</u>	<u>4,398</u>	<u>17,009</u>	<u>14.80%</u>	<u>24.78%</u>
24.	Total DTs	<u>68,195</u>	<u>64,475</u>	<u>63,480</u>	<u>39,659</u>	<u>58,486</u>	<u>3.91%</u>	<u>5.77%</u>
25.	Number of Customers:							
26.	Residential	283	268	259	252	240	4.21%	5.60%
27.	Commercial	41	40	37	30	28	10.00%	2.50%
28.	Industrial	2	2	0	0	0	N/A	0.00%
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	<u>326</u>	<u>310</u>	<u>296</u>	<u>282</u>	<u>268</u>	<u>5.02%</u>	<u>5.16%</u>
33.	Estimated Overall Rate of Return	9.80%	10.31%	11.26%	11.23%	8.38%	4.05%	-4.95%
34.	Estimated Return on Common Equity	11.70%	12.60%	13.46%	13.10%	12.20%	-1.04%	-7.14%
35.	Common Equity Ratio	48.82%	49.81%	53.57%	53.89%	52.54%	-1.82%	-1.99%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.26	3.53	3.90	3.78	2.84	3.51%	-7.65%
37.	LAST RATE CASE	Authorized Returns: Common Equity 11.87%, Overall 10.51%; Equity Ratio: 50.00%; Date of Order: 1-26-95						

Notes: [1] Rates are set on a total company basis.
[2] Net Plant investment reflects net plant in service.
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Column (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$59,299	\$52,804	\$43,472	\$37,216	\$33,520	15.33%	12.30%
3.	Network Access	20,132	21,508	21,108	17,078	14,362	8.81%	-6.40%
4.	Long Distance Message	4,880	6,179	15,374	12,476	9,858	-16.12%	-21.02%
5.	Miscellaneous	2,941	390	5,085	3,874	3,113	-1.41%	654.10%
6.	Uncollectibles	(331)	(197)	(1,487)	(1,261)	(338)	-0.52%	68.02%
7.	Total Operating Revenue	<u>86,921</u>	<u>80,684</u>	<u>83,552</u>	<u>69,383</u>	<u>60,515</u>	<u>9.48%</u>	<u>7.73%</u>
8.	Operating Expenses	39,501	40,243	36,498	31,591	25,356	11.72%	-1.84%
9.	Depreciation & Amortization	14,288	13,398	16,619	11,883	11,377	5.86%	6.64%
10.	Total Operating Taxes	12,497	10,222	12,125	10,080	9,289	7.70%	22.26%
11.	Total Expenses, Depr. & Taxes	<u>66,286</u>	<u>63,863</u>	<u>65,242</u>	<u>53,554</u>	<u>46,022</u>	<u>9.55%</u>	<u>3.79%</u>
12.	Other Operating (Income) & Expense	0	74	(174)	89	0	N/A	N/A
13.	Operating Income	<u>\$20,635</u>	<u>\$16,747</u>	<u>\$18,484</u>	<u>\$15,740</u>	<u>\$14,493</u>	<u>9.23%</u>	<u>23.22%</u>
14.	Net Plant Investment	<u>\$143,476</u>	<u>\$135,579</u>	<u>\$132,267</u>	<u>\$132,597</u>	<u>\$103,834</u>	<u>8.42%</u>	<u>5.82%</u>
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15.	Oper. Exp. as a % of Total Revenue	45.44%	49.88%	43.68%	45.53%	41.90%	2.05%	-8.90%
16.	Net Plt. Investment per \$ of Revenue	\$1.65	\$1.68	\$1.58	\$1.91	\$1.72	-1.03%	-1.79%
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17.	Local Access Lines:							
18.	Residential	150	140	132	127	95	12.10%	7.14%
19.	Business	45	41	37	33	22	19.59%	9.76%
20.	Total Local Access Lines	<u>195</u>	<u>181</u>	<u>169</u>	<u>160</u>	<u>117</u>	<u>13.62%</u>	<u>7.73%</u>
21.	Total Access Lines:							
22.	Residential	150	140	132	127	95	12.10%	7.14%
23.	Business	45	41	37	34	22	19.59%	9.76%
24.	Total Access Lines	<u>195</u>	<u>181</u>	<u>169</u>	<u>161</u>	<u>117</u>	<u>13.62%</u>	<u>7.73%</u>
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25.	Estimated Overall Rate of Return	16.17%	13.67%	15.31%	14.80%	15.09%	1.74%	18.29%
26.	Estimated Return on Common Equity	21.47%	17.26%	19.83%	19.55%	18.28%	4.10%	24.39%
27.	Common Equity Ratio	61.04%	61.58%	62.13%	60.48%	66.43%	-2.09%	-0.88%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.70	6.48	7.67	8.09	9.03	-3.91%	18.83%
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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 79% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 25 - 28, Column (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$871,804	\$805,617	\$689,370	\$638,507	\$599,078	9.83%	8.22%
3.	Network Access	159,274	163,678	161,256	166,347	147,466	1.94%	-2.69%
4.	Long Distance Message	49,446	64,674	106,379	125,626	140,245	-22.94%	-23.55%
5.	Miscellaneous	37,573	84,291	89,552	86,417	82,364	-17.82%	-55.42%
6.	Uncollectibles	(13,684)	(12,559)	(5,880)	(6,684)	(7,271)	17.13%	8.96%
7.	Total Operating Revenue	1,104,413	1,105,701	1,040,677	1,010,213	961,882	3.51%	-0.12%
8.	Operating Expenses	457,536	496,846	494,761	464,499	447,823	0.54%	-7.91%
9.	Depreciation & Amortization	290,581	284,607	208,264	243,722	211,808	8.23%	2.10%
10.	Total Operating Taxes	164,263	125,641	139,563	119,308	116,835	8.89%	30.74%
11.	Total Expenses, Depr. & Taxes	912,380	907,094	842,588	827,529	776,466	4.12%	0.58%
12.	Other Operating (Income) & Expense	98	70	(51)	(261)	(45)	N/A	40.00%
13.	Operating Income	<u>\$191,935</u>	<u>\$198,537</u>	<u>\$198,140</u>	<u>\$182,945</u>	<u>\$185,461</u>	0.86%	-3.33%
14.	Net Plant Investment	<u>\$1,864,967</u>	<u>\$1,852,897</u>	<u>\$1,893,522</u>	<u>\$1,756,863</u>	<u>\$1,729,257</u>	1.91%	0.65%
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15.	Oper. Exp. as a % of Total Revenue	41.43%	44.93%	47.54%	45.98%	46.56%	-2.88%	-7.79%
16.	Net Plt. Investment per \$ of Revenue	\$1.69	\$1.68	\$1.82	\$1.74	\$1.80	-1.56%	0.60%
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17.	Local Access Lines:							
18.	Residential	1,524	1,449	1,396	1,344	1,292	4.22%	5.18%
19.	Business	657	598	543	488	451	9.86%	9.87%
20.	Total Local Access Lines	<u>2,181</u>	<u>2,047</u>	<u>1,939</u>	<u>1,832</u>	<u>1,743</u>	<u>5.76%</u>	<u>6.55%</u>
21.	Total Access Lines:							
22.	Residential	1,524	1,449	1,396	1,344	1,292	4.22%	5.18%
23.	Business	663	604	550	497	463	9.39%	9.77%
24.	Total Access Lines	<u>2,187</u>	<u>2,053</u>	<u>1,946</u>	<u>1,841</u>	<u>1,755</u>	<u>5.66%</u>	<u>6.53%</u>
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25.	Estimated Overall Rate of Return	11.95%	12.46%	12.72%	10.57%	11.22%	1.59%	-4.09%
26.	Estimated Return on Common Equity	16.15%	17.54%	16.94%	13.85%	15.42%	1.16%	-7.92%
27.	Common Equity Ratio	57.38%	55.69%	58.65%	63.07%	63.74%	-2.59%	3.03%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.30	6.62	6.71	6.67	6.44	3.18%	10.27%
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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 75% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 25 - 28, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] For companies electing price regulation, including BellSouth Telecommunications, Inc., the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996, with the exception of Concord Telephone Company; therefore, data for such companies 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 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$338,306	\$309,556	\$259,741	\$234,847	\$218,385	11.56%	9.29%
3.	Network Access	88,775	91,084	86,173	82,413	74,011	4.65%	-2.54%
4.	Long Distance Message	32,804	39,116	67,623	75,426	65,886	-16.00%	-16.14%
5.	Miscellaneous	45,277	51,545	46,673	43,289	36,059	5.86%	-12.16%
6.	Uncollectibles	(6,667)	(5,613)	(3,343)	(2,471)	(2,042)	34.42%	18.78%
7.	Total Operating Revenue	<u>498,495</u>	<u>485,688</u>	<u>456,867</u>	<u>433,504</u>	<u>392,299</u>	6.17%	2.64%
8.	Operating Expenses	250,852	256,783	234,038	214,099	239,587	1.16%	-2.31%
9.	Depreciation & Amortization	123,663	117,404	95,023	97,470	81,974	10.83%	5.33%
10.	Total Operating Taxes	52,515	48,115	52,547	48,699	27,564	17.49%	9.14%
11.	Total Expenses, Depr. & Taxes	<u>427,030</u>	<u>422,302</u>	<u>381,608</u>	<u>360,268</u>	<u>349,125</u>	5.16%	1.12%
12.	Operating Income	<u>\$71,465</u>	<u>\$63,386</u>	<u>\$75,259</u>	<u>\$73,236</u>	<u>\$43,174</u>	13.43%	12.75%
13.	Net Plant Investment	<u>\$661,395</u>	<u>\$674,875</u>	<u>\$688,175</u>	<u>\$668,337</u>	<u>\$662,797</u>	-0.05%	-2.00%
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14.	Oper. Exp. as a % of Total Revenue	50.32%	52.87%	51.23%	49.39%	61.07%	-4.73%	-4.82%
15.	Net Plt. Investment per \$ of Revenue	\$1.33	\$1.39	\$1.51	\$1.54	\$1.69	-5.86%	-4.52%
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16.	Local Access Lines:							
17.	Residential	813	792	762	734	707	3.55%	2.65%
18.	Business	259	230	208	191	195	7.35%	12.61%
19.	Total Local Access Lines	<u>1,072</u>	<u>1,022</u>	<u>970</u>	<u>925</u>	<u>902</u>	4.41%	4.89%
20.	Total Access Lines:							
21.	Residential	813	792	762	734	707	3.55%	2.65%
22.	Business	260	231	210	194	199	6.91%	12.55%
23.	Total Access Lines	<u>1,073</u>	<u>1,023</u>	<u>972</u>	<u>928</u>	<u>906</u>	4.32%	4.89%
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24.	Estimated Overall Rate of Return	12.53%	11.02%	13.07%	12.80%	7.68%	13.02%	13.70%
25.	Estimated Return on Common Equity	16.59%	13.80%	16.38%	18.51%	7.96%	20.15%	21.99%
26.	Common Equity Ratio	60.75%	62.23%	62.60%	66.13%	62.61%	-0.75%	-2.38%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.65	6.45	6.93	7.87	4.27	15.69%	18.60%
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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 76% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] *Net Plant Investment reflects net plant in service.*
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] For companies electing price regulation, including Carolina Telephone and Telegraph Company, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996, with the exception of Concord Telephone Company; therefore, data for such companies 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	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$83,322	\$77,233	\$60,431	\$54,879	\$51,662	12.69%	7.88%
3.	Network Access	19,320	19,387	20,030	18,733	29,601	-10.12%	-0.35%
4.	Long Distance Message	9,543	9,188	22,339	23,809	(1,346)	N/A	3.86%
5.	Miscellaneous	13,219	10,682	10,350	6,997	7,223	16.31%	23.75%
6.	Uncollectibles	(1,559)	(1,015)	(732)	(430)	(696)	22.34%	53.60%
7.	Total Operating Revenue	123,845	115,475	112,418	103,988	86,444	9.40%	7.25%
8.	Operating Expenses	70,435	72,780	68,124	67,117	68,933	0.54%	-3.22%
9.	Depreciation & Amortization	21,262	20,823	13,911	12,915	12,743	13.65%	2.11%
10.	Total Operating Taxes	13,035	8,780	11,942	9,499	3,340	40.55%	48.46%
11.	Total Expenses, Depr. & Taxes	104,732	102,383	93,977	89,531	85,016	5.35%	2.29%
12.	Operating Income	\$19,113	\$13,092	\$18,441	\$14,457	\$1,428	91.27%	45.99%
13.	Net Plant Investment	\$201,341	\$194,240	\$189,012	\$179,157	\$168,658	4.53%	3.66%
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14.	Oper. Exp. as a % of Total Revenue	56.87%	63.03%	60.60%	64.54%	79.74%	-8.10%	-9.76%
15.	Net Plt. Investment per \$ of Revenue	\$1.63	\$1.68	\$1.68	\$1.72	\$1.95	-4.46%	-3.35%
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16.	Local Access Lines:							
17.	Residential	190	185	179	173	168	3.12%	2.70%
18.	Business	63	56	52	47	52	4.91%	12.50%
19.	Total Local Access Lines	253	241	231	220	220	3.56%	4.98%
20.	Total Access Lines:							
21.	Residential	190	185	179	173	168	3.12%	2.70%
22.	Business	63	57	52	47	52	4.91%	10.53%
23.	Total Access Lines	253	242	231	220	220	3.56%	4.55%
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24.	Estimated Overall Rate of Return	12.60%	8.86%	13.05%	8.35%	1.10%	83.97%	42.21%
25.	Estimated Return on Common Equity	12.60%	8.40%	15.10%	15.29%	-2.20%	N/A	50.00%
26.	Common Equity Ratio	88.21%	80.85%	65.95%	87.05%	70.22%	5.87%	9.10%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	12.61	5.92	6.22	6.86	2.77	46.07%	113.01%
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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 68% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Columns (e) - (f)] which is from past Commission Surveillance Reports.
[4] For companies electing price regulation, including Central Telephone Company, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996, with the exception of Concord Telephone Company; therefore, data for such companies 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.

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 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$4,351	\$4,134	\$3,406	\$3,289	\$3,212	7.88%	5.25%
3.	Network Access	3,433	2,845	2,752	2,401	2,444	8.87%	20.67%
4.	Long Distance Message	1,144	1,104	1,878	1,859	1,765	-10.27%	3.62%
5.	Miscellaneous	820	826	802	810	797	0.71%	-0.73%
6.	Uncollectibles	(31)	(29)	(10)	(6)	(11)	29.57%	6.90%
7.	Total Operating Revenue	<u>9,717</u>	<u>8,880</u>	<u>8,828</u>	<u>8,353</u>	<u>8,207</u>	<u>4.31%</u>	<u>9.43%</u>
8.	Operating Expenses	3,876	3,746	3,737	3,526	3,369	3.57%	3.47%
9.	Depreciation & Amortization	2,643	2,012	2,003	2,208	1,479	15.62%	31.36%
10.	Total Operating Taxes	983	1,020	968	750	967	0.41%	-3.63%
11.	Total Expenses, Depr. & Taxes	<u>7,502</u>	<u>6,778</u>	<u>6,708</u>	<u>6,484</u>	<u>5,815</u>	<u>6.58%</u>	<u>10.68%</u>
12.	Operating Income	<u>\$2,215</u>	<u>\$2,102</u>	<u>\$2,120</u>	<u>\$1,869</u>	<u>\$2,392</u>	<u>-1.90%</u>	<u>5.38%</u>
13.	Net Plant Investment	<u>\$17,479</u>	<u>\$17,085</u>	<u>\$16,854</u>	<u>\$17,319</u>	<u>\$17,886</u>	<u>-0.57%</u>	<u>2.31%</u>
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14.	Oper. Exp. as a % of Total Revenue	39.89%	42.18%	42.33%	42.21%	41.05%	-0.71%	-5.43%
15.	Net Plt. Investment per \$ of Revenue	\$1.80	\$1.92	\$1.91	\$2.07	\$2.18	-4.68%	-6.25%
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16.	Local Access Lines:							
17.	Residential	15	14	14	13	13	3.64%	7.14%
18.	Business	3	3	3	3	2	10.67%	0.00%
19.	Total Local Access Lines	<u>18</u>	<u>17</u>	<u>17</u>	<u>16</u>	<u>15</u>	<u>4.66%</u>	<u>5.88%</u>
20.	Total Access Lines:							
21.	Residential	15	14	14	13	13	3.64%	7.14%
22.	Business	3	3	3	3	2	10.67%	0.00%
23.	Total Access Lines	<u>18</u>	<u>17</u>	<u>17</u>	<u>16</u>	<u>15</u>	<u>4.66%</u>	<u>5.88%</u>
<hr/>								
24.	Estimated Overall Rate of Return	12.86%	12.64%	12.73%	10.29%	14.97%	-3.73%	1.74%
25.	Estimated Return on Common Equity	16.64%	16.81%	17.53%	13.02%	22.57%	-7.34%	-1.01%
26.	Common Equity Ratio	55.68%	52.55%	49.66%	46.64%	48.45%	3.54%	5.96%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.75	4.55	4.29	3.49	3.18	10.55%	4.40%
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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 75% of total North Carolina revenue, i.e., intrastate and interstate revenue.

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

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

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$29,962	\$24,034	\$21,231	\$18,818	\$16,124	16.75%	24.67%
3.	Network Access	5,351	4,083	3,618	3,436	2,837	17.19%	31.06%
4.	Long Distance Message	7,113	8,713	5,748	7,135	5,557	6.37%	-18.36%
5.	Miscellaneous	6,274	5,861	4,760	4,427	4,446	8.99%	7.05%
6.	Uncollectibles	(165)	(132)	(168)	(143)	(323)	-15.46%	25.00%
7.	Total Operating Revenue	<u>48,535</u>	<u>42,559</u>	<u>35,189</u>	<u>33,673</u>	<u>28,641</u>	<u>14.10%</u>	<u>14.04%</u>
8.	Operating Expenses	24,581	24,155	15,683	14,332	13,211	16.79%	1.76%
9.	Depreciation & Amortization	6,881	7,700	9,238	11,152	7,031	-0.54%	-10.64%
10.	Total Operating Taxes	<u>7,739</u>	<u>5,077</u>	<u>4,790</u>	<u>3,943</u>	<u>3,978</u>	<u>18.10%</u>	<u>52.43%</u>
11.	Total Expenses, Depr. & Taxes	<u>39,201</u>	<u>36,932</u>	<u>29,711</u>	<u>29,427</u>	<u>24,220</u>	<u>12.79%</u>	<u>6.14%</u>
12.	Operating Income	<u>\$9,334</u>	<u>\$5,627</u>	<u>\$5,478</u>	<u>\$4,246</u>	<u>\$4,421</u>	<u>20.54%</u>	<u>65.88%</u>
13.	Net Plant Investment	<u>\$63,801</u>	<u>\$52,363</u>	<u>\$44,072</u>	<u>\$40,505</u>	<u>\$43,795</u>	<u>9.86%</u>	<u>21.84%</u>
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14.	Oper. Exp. as a % of Total Revenue	50.65%	56.76%	44.57%	42.56%	48.13%	2.36%	-10.76%
15.	Net Plt. Investment per \$ of Revenue	\$1.31	\$1.23	\$1.25	\$1.20	\$1.53	-3.81%	6.50%
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16.	Local Access Lines:							
17.	Residential	79	76	73	71	68	3.82%	3.95%
18.	Business	23	21	18	17	16	9.50%	9.52%
19.	Total Local Access Lines	<u>102</u>	<u>97</u>	<u>91</u>	<u>88</u>	<u>84</u>	<u>4.97%</u>	<u>5.15%</u>
20.	Total Access Lines:							
21.	Residential	79	76	73	71	68	3.82%	3.95%
22.	Business	23	21	18	17	16	9.50%	9.52%
23.	Total Access Lines	<u>102</u>	<u>97</u>	<u>91</u>	<u>88</u>	<u>84</u>	<u>4.97%</u>	<u>5.15%</u>
<hr/>								
24.	Estimated Overall Rate of Return	20.39%	14.91%	16.49%	10.83%	13.35%	11.17%	36.75%
25.	Estimated Return on Common Equity	22.92%	16.04%	18.23%	13.74%	14.50%	12.13%	42.89%
26.	Common Equity Ratio	84.96%	88.35%	84.95%	86.44%	82.58%	0.72%	-3.84%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	42.30	44.17	34.01	17.00	23.68	15.63%	-4.23%
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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 79% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Columns (e) - (f)] which is from past Commission Surveillance 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 included herein will be updated annually beginning with the calendar year 1997.

GTE SOUTH INCORPORATED
SELECTED FINANCIAL AND OPERATIONAL DATA
Merged North Carolina Intrastate Operations
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1997 (b)	December 1996 (c)	December 1995 (d)	December 1994 (e)	December 1993 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$111,078	\$103,423	\$91,407	\$88,354	\$84,313	7.14%	7.40%
3.	Network Access	57,345	52,637	40,840	48,486	57,687	-0.15%	8.94%
4.	Long Distance Message	9,526	15,488	22,425	14,970	73	237.98%	-38.49%
5.	Miscellaneous	15,993	14,049	14,227	4,180	17,220	-1.83%	13.84%
6.	Uncollectibles	(1,996)	(1,874)	(3,152)	42	(1,892)	1.35%	6.51%
7.	Total Operating Revenue	191,946	183,723	185,747	156,032	157,401	5.09%	4.48%
8.	Operating Expenses	90,819	86,905	82,367	83,900	87,166	7.83%	4.50%
9.	Depreciation & Amortization	62,991	60,916	35,422	33,180	29,187	21.21%	3.41%
10.	Total Operating Taxes	13,594	13,862	20,996	14,860	23,116	-12.43%	-1.93%
11.	Total Expenses, Depr. & Taxes	167,404	161,683	138,785	131,940	119,469	8.80%	3.54%
12.	Other Operating (Income) & Expense	21	62	(3)	(391)	(60)	N/A	-66.13%
13.	Operating Income	\$24,521	\$21,978	\$26,965	\$24,483	\$37,992	-10.37%	11.57%
14.	Net Plant Investment	\$351,886	\$355,008	\$355,020	\$354,833	\$343,545	0.60%	-0.88%
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15.	Oper. Exp. as a % of Total Revenue	47.31%	47.30%	49.69%	53.77%	42.67%	2.62%	0.03%
16.	Net Plt. Investment per \$ of Revenue	\$1.83	\$1.93	\$2.14	\$2.27	\$2.18	-4.27%	-5.13%
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17.	Local Access Lines:							
18.	Residential	221	210	199	192	186	4.40%	5.24%
19.	Business	121	109	97	88	82	10.22%	11.01%
20.	Total Local Access Lines	342	319	296	280	268	6.29%	7.21%
21.	Total Access Lines:							
22.	Residential	221	210	199	192	186	4.40%	5.24%
23.	Business	196	164	136	120	115	14.26%	19.51%
24.	Total Access Lines	417	374	335	312	301	8.49%	11.50%
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25.	Estimated Overall Rate of Return	8.73%	7.80%	9.82%	N/A	N/A	N/A	11.92%
26.	Estimated Return on Common Equity	8.62%	7.84%	11.17%	N/A	N/A	N/A	9.95%
27.	Common Equity Ratio	63.23%	62.17%	58.20%	N/A	N/A	N/A	1.71%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.56	3.46	4.45	N/A	N/A	N/A	2.89%
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29.	LAST RATE CASE	<i>Authorized Returns: Common Equity 13.90%, Overall 11.82%; Equity Ratio: 50.00%; Date of Order: 9-16-86</i>						

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 except for data on Lines 2 - 11 and Lines 17 - 24, Columns (d) - (f) which are the sum total of figures for GTE South, Inc. and GTE of North Carolina, which were being provided on a separated basis prior to January 1996.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.
[5] For companies electing price regulation, including GTE South Incorporated, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996, with the exception of Concord Telephone Company; therefore, data for such companies included herein is updated annually beginning with the calendar year 1996.

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

Line No.	Item (a)	12 Months Ended					Annual	
		March 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Growth Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$10,107	\$8,705	\$6,730	\$5,924	\$5,291	17.56%	16.11%
3.	Network Access	2,867	3,314	9,956	9,324	8,426	-23.62%	-13.49%
4.	Long Distance Message	625	858	1,659	1,811	2,226	-27.21%	-27.16%
5.	Miscellaneous	2,950	2,805	3,115	2,841	2,588	3.33%	5.17%
6.	Uncollectibles	(147)	(110)	(100)	(90)	(79)	16.79%	33.64%
7.	Total Operating Revenue	16,402	15,572	21,360	19,810	18,452	-2.90%	5.33%
8.	Operating Expenses	8,716	8,675	11,531	10,852	10,666	-4.92%	0.47%
9.	Depreciation & Amortization	3,516	2,880	3,156	2,832	2,697	6.85%	22.08%
10.	Total Operating Taxes	2,874	2,732	2,459	2,559	2,142	7.63%	5.20%
11.	Total Expenses, Depr. & Taxes	15,106	14,287	17,146	16,243	15,505	-0.65%	5.73%
12.	Operating Income	<u>\$1,296</u>	<u>\$1,285</u>	<u>\$4,214</u>	<u>\$3,567</u>	<u>\$2,947</u>	-18.57%	0.86%
13.	Net Plant Investment	<u>\$32,135</u>	<u>\$31,271</u>	<u>\$39,136</u>	<u>\$36,156</u>	<u>\$32,972</u>	-0.64%	2.76%
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14.	Oper. Exp. as a % of Total Revenue	53.14%	55.71%	53.98%	54.78%	57.80%	-2.08%	-4.61%
15.	Net Plt. Investment per \$ of Revenue	\$1.96	\$2.01	\$1.83	\$1.83	\$1.79	2.29%	-2.49%
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16.	Local Access Lines:							
17.	Residential	23	23	22	21	21	2.30%	0.00%
18.	Business	9	9	8	8	6	10.67%	0.00%
19.	Total Local Access Lines	<u>32</u>	<u>32</u>	<u>30</u>	<u>29</u>	<u>27</u>	4.34%	0.00%
20.	Total Access Lines:							
21.	Residential	23	23	22	21	21	2.30%	0.00%
22.	Business	9	9	8	8	6	10.67%	0.00%
23.	Total Access Lines	<u>32</u>	<u>32</u>	<u>30</u>	<u>29</u>	<u>27</u>	4.34%	0.00%
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24.	Estimated Overall Rate of Return	5.51%	20.55%	13.59%	12.33%	9.55%	-12.85%	-73.19%
25.	Estimated Return on Common Equity	4.90%	22.91%	14.85%	13.35%	9.74%	-15.78%	-78.61%
26.	Common Equity Ratio	81.25%	78.39%	80.04%	82.86%	90.20%	-2.58%	3.65%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	10.86	14.76	12.76	17.55	20.07	-14.23%	-26.42%
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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 except for data in italics [Lines 24 - 27, Column (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)	March 1994 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$2,159	\$1,931	\$1,732	\$1,617	\$1,559	8.48%	11.81%
3.	Network Access	3,388	2,737	2,532	2,505	2,510	7.79%	23.79%
4.	Long Distance Message	651	603	617	486	374	14.86%	7.96%
5.	Miscellaneous	251	155	192	184	113	22.08%	61.94%
6.	Uncollectibles	(117)	(64)	(46)	(29)	(27)	44.28%	82.81%
7.	Total Operating Revenue	6,332	5,362	5,027	4,763	4,529	8.74%	18.09%
8.	Operating Expenses	4,436	3,542	3,489	3,366	2,854	11.66%	25.24%
9.	Depreciation & Amortization	897	776	563	929	868	0.82%	15.59%
10.	Total Operating Taxes	243	444	136	(39)	269	-2.51%	-45.27%
11.	Total Expenses, Depr. & Taxes	5,576	4,762	4,188	4,256	3,991	8.72%	17.09%
12.	Operating Income	\$756	\$600	\$839	\$507	\$538	8.88%	26.00%
13.	Net Plant Investment	\$6,675	\$6,299	\$6,175	\$6,165	\$5,573	4.61%	5.97%
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14.	Oper. Exp. as a % of Total Revenue	70.06%	66.06%	69.41%	70.67%	63.02%	2.68%	6.06%
15.	Net Plt. Investment per \$ of Revenue	\$1.05	\$1.17	\$1.23	\$1.29	\$1.23	-3.88%	-10.26%
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16.	Local Access Lines:							
17.	Residential	7	7	6	6	6	3.93%	0.00%
18.	Business	2	2	2	1	1	18.92%	0.00%
19.	Total Local Access Lines	9	9	8	7	7	6.48%	0.00%
20.	Total Access Lines:							
21.	Residential	7	7	6	6	6	3.93%	0.00%
22.	Business	2	2	2	1	1	18.92%	0.00%
23.	Total Access Lines	9	9	8	7	7	6.48%	0.00%
<hr/>								
24.	Estimated Overall Rate of Return	12.39%	9.55%	13.61%	10.42%	19.16%	-10.33%	29.74%
25.	Estimated Return on Common Equity	17.98%	13.33%	23.32%	15.55%	32.65%	-13.86%	34.88%
26.	Common Equity Ratio	38.86%	47.82%	43.66%	49.07%	49.87%	-6.05%	-18.74%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.59	4.60	4.01	4.49	8.90	-26.55%	-43.70%
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 16.50%, Overall 5.92%; Equity Ratio:16.92%; Date of Order: 11-26-79						

Notes: [1] Rates are set on a total company basis.
[2] Net Plant investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Column (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended				March 1994 (f)	Annual Growth Rate	
		March 1998 (b)	March 1997 (c)	March 1996 (d)	March 1995 (e)		Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$27,667	\$23,948	\$19,364	\$17,296	\$16,057	14.57%	15.53%
3.	Network Access	28,281	27,203	27,163	25,283	22,602	5.76%	3.96%
4.	Long Distance Message	2,191	2,330	5,475	5,389	5,417	-20.25%	-5.97%
5.	Miscellaneous	7,146	5,962	5,920	5,506	4,855	10.15%	19.86%
6.	Uncollectibles	(645)	(490)	(416)	(384)	(455)	9.12%	31.63%
7.	Total Operating Revenue	64,640	58,953	57,506	53,090	48,476	7.46%	9.65%
8.	Operating Expenses	27,002	26,209	26,301	24,597	25,267	1.67%	3.03%
9.	Depreciation & Amortization	15,790	11,131	11,817	9,245	8,262	17.58%	41.86%
10.	Total Operating Taxes	9,597	9,400	8,303	7,745	6,176	11.65%	2.10%
11.	Total Expenses, Depr. & Taxes	52,389	46,740	46,421	41,587	39,705	7.18%	12.09%
12.	Other Operating (Income) & Expense	(329)	5	(532)	1,675	(142)	N/A	N/A
13.	Operating Income	\$12,580	\$12,208	\$11,617	\$9,828	\$8,913	9.00%	3.05%
14.	Net Plant Investment	\$82,810	\$85,195	\$80,871	\$74,330	\$70,372	4.15%	-2.80%
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	41.77%	44.46%	45.74%	46.33%	52.12%	-5.38%	-6.04%
16.	Net Plt. Investment per \$ of Revenue	\$1.28	\$1.45	\$1.41	\$1.40	\$1.45	-3.08%	-11.35%
<hr/>								
17.	Local Access Lines:							
18.	Residential	80	76	73	71	69	3.77%	5.26%
19.	Business	38	35	33	29	28	7.93%	8.57%
20.	Total Local Access Lines	118	111	106	100	97	5.02%	6.31%
21.	Total Access Lines:							
22.	Residential	80	76	73	71	69	3.77%	5.26%
23.	Business	38	36	33	30	29	6.99%	5.56%
24.	Total Access Lines	118	112	106	101	98	4.75%	5.36%
<hr/>								
25.	Estimated Overall Rate of Return	15.95%	15.82%	16.49%	15.10%	14.17%	3.00%	0.82%
26.	Estimated Return on Common Equity	16.43%	16.38%	17.25%	15.84%	14.91%	2.46%	0.31%
27.	Common Equity Ratio	95.14%	94.17%	92.90%	91.81%	90.20%	1.34%	1.03%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	116.85	91.96	76.06	57.69	25.87	45.78%	27.07%
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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 except for data in Italics [Lines 25 - 28, Column (f)] which is from past Commission Surveillance Reports.
[4] N/A denotes that data is not available or not applicable or that information is, essentially, unmeaningful.

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