"Quarterly Review"

Selected Financial and Operational Data:

Re:

FILED
NOV 24 2008
Clerk's Office
N.C. Utilities Commission

Electric Companies

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

Natural Gas Local Distribution Companies

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

Telecommunications Companies

- *BellSouth Telecommunications, Inc., d/b/a AT&T North Carolina*
- *Carolina Telephone and Telegraph Company LLC*
- *Central Telephone Company*
- *Citizens Telephone Company*
- *LEXCOM Telephone Company*
- *MEBTEL Communications*
- *North State Communications*
- *Verizon South Inc.*
- *Windstream Concord Telephone, Inc.*
- *Windstream North Carolina, LLC*

Quarter Ending June 30, 2008

State of North Carolina
Utilities Commission

4325 Mail Service Center
Raleigh, NC 27699-4325

COMMISSIONERS
EDWARD S. FINLEY, JR., Chairman
ROBERT V. OWENS, JR.
SAM J. ERVIN, IV

COMMISSIONERS
LORINZO L. JOYNER
HOWARD N. LEE
WILLIAM T. CULPEPPER, III

November 24, 2008

MEMORANDUM

TO: Chairman Edward S. Finley, Jr.
Commissioner Robert V. Owens, Jr.
Commissioner Sam J. Ervin, IV
Commissioner Lorinzo L. Joyner
Commissioner Howard N. Lee
Commissioner William T. Culpepper, III

FROM: Donald R. Hoover, Director DRH
Operations Division

The Operations Division hereby presents for your consideration the *Quarterly Review* for the calendar quarter ending June 30, 2008. Such report, which has been prepared by the Operations Division, presents an overview of selected financial and operational information and data for 15 major investor-owned public utilities regulated by the Commission.

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

Thank you for your consideration.

DRH/FHH/BBK/kah

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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 15 major investor-owned public utilities regulated by the North Carolina Utilities Commission (Commission): three electric companies, two 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 one natural gas company for which only three years of data is available as a result of a consolidation in 2005 of three regulated entities into one. From a general viewpoint, the individual company overviews, excluding to a certain extent those of the price regulated telephone companies, for which information is strictly limited, provide information that users of this report will find helpful from the standpoint of gaining insight into each company's jurisdictional financial standing and in acquiring a sense of the magnitude of each company's overall jurisdictional economic dimension.

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

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

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 pretax interest coverage ratio, and (4) the overall rate of return.

The Return on Common Equity

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

The Common Equity Capitalization Ratio

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

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

The Pretax Interest Coverage Ratio

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

The Overall Rate of Return

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

The Propriety of the Methodology

The foregoing financial benchmarks, as presented in this report, have been determined on the basis of the companies' actual operating experience. Under rate base, rate of return regulation, North Carolina statutes require that the companies' rates be determined on a normalized, pro forma, end-of-period basis based upon an historical test 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 ratemaking requirements, prevailing economic conditions, and certain other financial indicators, including returns on common equity and overall rates of return currently being authorized by other public utility regulatory agencies, are meaningful indicators of the need, if any, for further, more extensive regulatory review.

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

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

A Final Note

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

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

Part II

A Review of Key Financial Ratios

- *Summary Statement of Key Financial Ratios For Seven Selected Companies For The Twelve Months Ended June 30, 2008 — 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. 258-266 from July 2007 Through August 2008*

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 June 30, 2008,* Except for Certain Telecommunications Companies - See Note [1]"

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

		Estimated for 12 Months Ended 06/30/08				*Authorized - Last Rate Case*			
Line No.	Item (a)	Return On Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Debt Ratio (e)	*Return On Equity (f)*	*Overall Rate of Return (g)*	*Equity Ratio (h)*	*Date of Last Order (i)*
	Electric Companies								
1.	Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.	11.08%	8.60%	51.56%	47.64%	*12.75%*	*10.45%*	*44.00%*	*08/05/1988*
2.	Duke Energy Carolinas, LLC	11.12%	8.61%	53.86%	46.14%	*11.00%*	*8.57%*	*53.00%*	*12/20/2007*
3.	Virginia Electric and Power Company, d/b/a Dominion North Carolina Power	3.43%	4.44%	51.04%	43.79%	*N/A*	*N/A*	*N/A*	*03/18/2005*
	Natural Gas Local Distribution Companies								
4.	Piedmont Natural Gas Company, Inc.	9.76%	8.03%	47.93%	52.07%	*10.60%*	*8.55%*	*51.00%*	*10/24/2008*
5.	Public Service Company of North Carolina, Inc.	9.07%	7.76%	49.86%	50.14%	*10.60%*	*8.54%*	*54.00%*	*10/24/2008*
	Telecommunications Companies								
	Rate of Return Regulated Companies								
6.	Citizens Telephone Company	4.11%	4.11%	100.00%	0.00%	*12.70%*	*10.11%*	*44.95%*	*02/26/1991*
7.	LEXCOM Telephone Company	21.09%	21.09%	100.00%	0.00%	*16.25%*	*12.77%*	*37.22%*	*06/14/1982*
	Price Plan Regulated Companies	--- Data is not available. See Note [1] ---							
8.	BellSouth Telecommunications, Inc., d/b/a AT&T North Carolina								
9.	Carolina Telephone and Telegraph Company LLC								
10.	Central Telephone Company								
11.	Mebtel, Inc. d/b/a Mebtel Communications								
12.	North State Communications								
13.	Verizon South Inc.								
14.	Windstream Concord Telephone, Inc.								
15.	Windstream North Carolina, LLC								

NOTES:

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

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

[3] In its March 18, 2005 Order Approving Stipulation, the Commission did not make certain determinations with respect to Dominion North Carolina Power's (Dominion's) capital structure and rates of return. The Commission concluded that the stipulation presented an appropriate resolution of the contested matters in the rate case proceeding and resulted in just and reasonable rates for Dominion, without making specific findings regarding rate base, operating revenues and expenses, the overall rate of return, and the return on common equity.

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

***NOTES** - continued*

NOTES: [5] *Selected financial market indicators from "Moody's Credit Trends" updated on November 12, 2008 follow:*

Part I

		U.S. Treasury Securities			Dealer-Placed	Moody's Long-Term
		3-Month Bill	10-Year Note	30-Year Bond	3-Month CP	Corporate Bond Yield
Line No.	Date	%	%	%	%	%
	(a)	(b)	(c)	(d)	(e)	(f)
1.	November 10, 2008	0.29	3.82	4.21	-	7.76
2.	November 7, 2008	0.30	3.83	4.25	5.15	7.82
3.	November 6, 2008	0.31	3.75	4.19	4.08	7.77
4.	November 5, 2008	0.39	3.73	4.13	6.30	7.77
5.	November 4, 2008	0.48	3.81	4.20	4.50	7.85
6.	Month of October 2008	0.67	3.81	4.17	6.11	7.56
7.	Month of September 2008	1.13	3.69	4.27	3.93	6.50

Part II

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

			Past 12 Months		Monthly Average	
Line No.	Rating	11/12/2008 [6]	High	Low	Nov. 2008	Oct. 2008
	(a)	(b)	(c)	(d)	(e)	(f)
1.	Aa	6.98	6.18	5.66	7.06	6.95
2.	A	7.68	6.30	5.85	7.79	7.56
3.	Baa	8.92	6.60	6.10	9.05	8.58

[6] Most recent data available when this edition of the *Quarterly Review* was prepared. According to "Moody's Credit Trends", updated on November 13, 2008, such long-term bond yield averages are derived from pricing data on a regularly-replenished population of nearly 90 seasoned corporate bonds in the United States market, each with current outstandings over $100 million. Further, the bonds have maturities as close as possible to 30 years; bonds are dropped from the list if their remaining life falls below 20 years or if their ratings change.

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

Statement of Authorized Returns
On Common Equity and Overall Rates of Return
Granted By Various Public Utility Regulatory Agencies As Reported In
***Public Utilities Reports*, Volume Nos. 258-266, from July 2007 through August 2008**
(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns: Common Equity (b)		Authorized Returns: Overall (c)	Date Of Order (d)	Volume No. *Public Utilities Reports* (e)
	Electric Companies					
1.	Entergy Arkansas, Inc. (AR)	9.90%		N/A	06/15/2007	Volume 258
2.	Arizona Public Service Company (AZ)	10.75%		8.32%	06/28/2007	Volume 258
3.	Potomac Electric Power Company (MD)	10.00%		7.68%	07/19/2007	Volume 258
4.	Georgia Power Company (GA)	11.25%		N/A	12/18/2007	Volume 262
5.	Duke Energy Carolinas, LLC (NC)	11.00%		8.57%	12/20/2007	Volume 262
6.	Wisconsin Electric Power Company, d/b/a We Energies (WI)	10.75%		8.33%	01/17/2008	Volume 262
7.	Potomac Electric Power Company (DC)	10.00%		7.96%	01/30/2008	Volume 263
8.	Fitchburg Gas & Electric Company, d/b/a Unitil (MA)	10.25%		8.38%	02/29/2008	Volume 263
9.	Northern States Power Company, d/b/a Xcel Energy, Inc. (WI)	10.75%		8.60%	01/08/2008	Volume 264
10.	Central Vermont Public Service Corporation (VT)	10.71%		N/A	01/31/2008	Volume 264
11.	Consolidated Edison Company of New York, Inc. (NY)	9.10%		7.30%	03/25/2008	Volume 264
12.	Montana-Dakota Utilities Company (MT)	10.25%		8.58%	04/23/2008	Volume 264
13.	Hawaiian Electric Company, Inc. (HI)	10.70%		8.66%	05/01/2008	Volume 265
14.	Consumers Energy Company (MI)	10.70%		6.93%	06/10/2008	Volume 265
15.	Orange and Rockland Utilities, Inc. (NY)	9.40%	[1]	N/A	07/23/2008	Volume 266
	Natural Gas Local Distribution Companies					
16.	Public Service Company of Colorado (CO)	10.25%		8.67%	06/18/2007	Volume 258
17.	Yankee Gas Services Company (CT)	10.10%		8.03%	06/29/2007	Volume 259
18.	Columbia Gas of Kentucky, Inc. (KY)	10.50%		N/A	08/29/2007	Volume 259
19.	Arkansas Western Gas Company (AR)	9.50%		N/A	07/13/2007	Volume 260
20.	Consumers Energy Company (MI)	10.75%		N/A	08/21/2007	Volume 260
21.	Washington Gas Light Company (VA)	10.00%		N/A	09/17/2007	Volume 261

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(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns: Common Equity (b)		Authorized Returns: Overall (c)	Date Of Order (d)	Volume No. *Public Utilities Reports* (e)
	Natural Gas Local Distribution Companies (continued)					
22.	Consolidated Edison Company of New York, Inc. (NY)	9.70%	[2]	7.63%	09/25/2007	Volume 261
23.	CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Arkansas Gas (AR)	9.65%		7.84%	10/25/2007	Volume 261
24.	National Fuel Gas Distribution Corporation (NY)	9.10%		7.61%	12/21/2007	Volume 262
25.	Washington Gas Light Company (DC)	N/A		N/A	12/28/2007	Volume 262
26.	Wisconsin Electric Power Company, d/b/a We Energies (WI)	10.75%		8.33%	01/17/2008	Volume 262
27.	Northern States Power Company, d/b/a Xcel Energy, Inc. (WI)	10.75%		8.60%	01/08/2008	Volume 264
28.	Duke Energy Ohio, Inc. (OH)	N/A		8.45%	05/28/2008	Volume 265
	Water Companies					
29.	San Gabriel Valley Water Company (CA)	9.90%		[3]	04/12/2007	Volume 258
30.	Municipality of Anchorage, d/b/a Anchorage Water & Wastewater Utility (AK)	10.10%	[4]	7.31%	07/16/2007	Volume 259
31.	Kentucky-American Water Company (KY)	N/A		N/A	11/29/2007	Volume 261
32.	Aquarion Water Company of Connecticut (CT)	10.00%		8.26%	12/12/2007	Volume 262
33.	Long Island Water Corporation (NY)	9.50%	[5]	N/A	03/05/2008	Volume 263
34.	Fall Water Company (ID)	12.00%		7.20%	01/11/2008	Volume 264

Notes:

[1] If the level of equity earnings over the life of the three-year rate plan is greater than 10.2% but less than or equal to 11.2%, the utility will share the earnings within that range equally with ratepayers. Equity earnings above 11.2% would be shared 75% with ratepayers and 25% with the utility.

[2] The approved rate plan requires the local distribution company (LDC) to annually submit its computation of return on equity for the preceding year. If the level of earnings exceeds 10.70%, the excess will be shared by deferring 50% for the benefit of customers and allowing the LDC to retain the balance.

[3] The California Public Utilities Commission adopted stipulated overall rates of return of 9.33% for test year 2006-2007 and 9.35% for test year 2007-2008.

[4] The Alaska Regulatory Commission declined to deviate from its policy of establishing cost of equity for municipally-owned utilities using the same methods used for privately-owned companies.

[5] Over the three years of the rate plan considered in the aggregrate, all earnings attributable to an earned return on equity at or below 10.50% would be retained by shareholders. Earnings in the range exceeding 10.50% but not exceeding 11.00% would be shared equally between customers and shareholders. Earnings exceeding 11.00% would be shared 75% by customers and 25% by shareholders. However, if the bond rating of the corporate parent of the utility were to fall below investment grade, the earnings sharing threshold would be reduced to 10.00%.

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

Part III

Overviews of Selected Financial and Operational Data by Utility:

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

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

Line		12 Months Ended					Annual Growth Rate	
Line No.	Item (a)	June 2008 (b)	June 2007 (c)	June 2006 (d)	June 2005 (e)	June 2004 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	$3,200,869	$3,018,098	$2,888,896	$2,615,615	$2,612,384	5.21%	6.06%
2.	Operating Expenses:							
3.	Fuel	947,289	852,412	728,342	605,492	627,195	10.86%	11.13%
4.	Purchased Power	193,770	219,558	240,017	203,168	215,203	-2.59%	-11.75%
5.	Maintenance	225,536	202,675	191,518	166,441	150,194	10.70%	11.28%
6.	Other Operating Expenses	550,243	504,896	525,974	515,892	445,506	5.42%	8.98%
7.	Total Operating Expenses	1,916,838	1,779,541	1,685,851	1,490,993	1,438,098	7.45%	7.72%
8.	Depreciation & Amortization	417,062	434,602	443,182	470,769	410,834	0.38%	-4.04%
9.	Total Expenses & Depreciation	2,333,900	2,214,143	2,129,033	1,961,762	1,848,932	6.00%	5.41%
10.	Total Operating Taxes	391,072	371,148	354,520	309,282	359,446	2.13%	5.37%
11.	Total Expenses, Depr. & Taxes	2,724,972	2,585,291	2,483,553	2,271,044	2,208,378	5.40%	5.40%
12.	Operating Income	$475,897	$432,807	$405,343	$344,571	$404,006	4.18%	9.96%
13.	Net Plant Investment	$4,878,120	$4,740,649	$4,722,399	$4,703,105	$4,668,993	1.10%	2.90%
14.	Oper. Exp. as a % of Total Revenue	59.88%	58.96%	58.36%	57.00%	55.05%	2.12%	1.56%
15.	Net Plt. Investment per $ of Revenue	$1.52	$1.57	$1.63	$1.80	$1.79	-4.01%	-3.18%
16.	Number of Customers Served (000s included):							
17.	Residential	1,078,644	1,057,396	1,033,882	1,009,968	987,574	2.23%	2.01%
18.	Commercial	190,215	188,084	184,710	180,625	175,637	2.01%	1.13%
19.	Industrial	3,400	3,491	3,527	3,589	3,676	-1.93%	-2.61%
20.	Other	1,884	1,969	2,043	2,087	2,224	-4.06%	-4.32%
21.	Total Number of Customers	1,274,143	1,250,940	1,224,162	1,196,269	1,169,111	2.17%	1.85%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	14,956	14,577	14,385	13,601	13,755	2.11%	2.60%
24.	Commercial	12,288	11,909	11,654	11,228	11,121	2.53%	3.18%
25.	Industrial	9,223	9,184	9,403	9,616	9,544	-0.85%	0.42%
26.	Other	2,545	2,134	2,689	2,253	3,703	-8.95%	19.26%
27.	Total Sales	39,012	37,804	38,131	36,698	38,123	0.58%	3.20%
28.	*Estimated Overall Rate of Return*	8.60%	7.65%	7.78%	7.12%	8.77%	-0.49%	12.42%
29.	Estimated Return on Common Equity	11.08%	9.53%	9.92%	8.36%	11.52%	-0.97%	16.26%
30.	Common Equity Ratio	51.56%	47.31%	47.22%	50.21%	50.66%	0.44%	8.98%
31.	Debt Ratio	47.64%	51.85%	51.90%	48.86%	48.43%	-0.41%	-8.12%
32.	Estimated Pretax Interest Coverage Ratio (Times)	4.46	3.63	3.81	3.65	4.65	-1.04%	22.87%

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

Notes:
[1] North Carolina retail jurisdictional revenue equates to 72% of total company electric utility revenue.
[2] *Net Plant Investment reflects net plant in service.*
[3] Source of Data: NCUC ES-1 Reports.
[4] The one-time, lump-sum write-off of the development costs associated with GridSouth Transco, LLC, pursuant to the Commission's Order in Docket No. E-2, Sub 913, decreased the estimated return on common equity on Line 29, Column (b), by 0.24%.

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

Line No.	Item	12 Months Ended June 2008	June 2007	June 2006	June 2005	June 2004	Annual Growth Rate Four Year	Current Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue	$4,159,964	$3,795,153	$3,692,993	$3,448,027	$3,468,018	4.65%	9.61%
2.	Operating Expenses:							
3.	*Fuel*	1,056,535	873,854	784,932	635,322	622,841	14.12%	20.91%
4.	Purchased Power	176,941	99,763	64,843	63,669	290,588	-11.66%	77.36%
5.	Maintenance	379,127	339,149	329,237	338,744	318,342	4.47%	11.79%
6.	Other Operating Expenses	671,710	682,839	713,347	627,510	649,522	0.84%	-1.63%
7.	*Total Operating Expenses*	2,284,313	1,995,605	1,892,359	1,865,245	1,881,293	4.97%	14.47%
8.	Depreciation & Amortization	633,023	683,038	730,164	789,520	550,247	3.57%	-7.32%
9.	*Total Expenses & Depreciation*	2,917,336	2,678,643	2,622,523	2,454,765	2,431,540	4.66%	8.91%
10.	Total Operating Taxes	518,748	449,394	474,256	440,457	460,675	3.01%	15.43%
11.	Total Expenses, Depr. & Taxes	3,436,084	3,128,037	3,096,779	2,895,222	2,892,215	4.40%	9.85%
12.	Operating Income	$723,880	$667,116	$596,214	$552,805	$575,803	5.89%	8.51%
13.	Net Plant Investment	$9,046,860	$8,708,902	$8,240,124	$8,077,892	$7,707,449	4.09%	3.88%
14.	Oper. Exp. as a % of Total Revenue	54.91%	52.58%	51.24%	48.30%	54.25%	0.30%	4.43%
15.	Net Plt. Investment per $ of Revenue	$2.17	$2.29	$2.23	$2.34	$2.22	-0.57%	-5.24%
16.	Number of Customers Served (000s included):							
17.	Residential	1,562,303	1,474,117	1,443,438	1,412,190	1,384,455	3.07%	5.98%
18.	*Commercial*	248,251	239,281	235,425	230,477	226,140	2.36%	3.75%
19.	Industrial	5,408	5,455	5,547	5,637	5,683	-1.23%	-0.86%
20.	Other	10,449	10,234	9,995	10,860	9,589	2.17%	2.10%
21.	Total Number of Customers	1,826,411	1,729,087	1,694,405	1,659,164	1,625,867	2.95%	5.63%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	21,049	19,640	19,267	18,124	18,541	3.22%	7.17%
24.	Commercial	21,661	20,656	19,973	19,306	19,357	2.85%	4.87%
25.	*Industrial*	14,036	14,106	14,837	15,106	14,731	-1.20%	-0.50%
26.	Other	2,535	1,321	532	880	2,382	1.57%	91.90%
27.	Total Sales	59,281	55,723	54,609	53,416	55,011	1.89%	6.39%
28.	Estimated Overall Rate of Return	8.61%	8.77%	8.55%	8.44%	9.28%	-1.86%	-1.82%
29.	Estimated Return on Common Equity	11.12%	11.53%	11.54%	11.42%	12.66%	-3.19%	-3.56%
30.	Common Equity Ratio	53.86%	52.20%	52.13%	53.61%	54.69%	-0.38%	3.18%
31.	Debt Ratio	46.14%	47.80%	46.67%	44.89%	43.81%	1.30%	-3.47%
32.	Estimated Pretax Interest Coverage Ratio (Times)	4.54	4.26	4.88	5.39	5.91	-6.38%	6.57%

33. **LAST RATE CASE** *(Docket No. E-7, Sub 828)* — Authorized Returns: Common Equity 11.00%, Overall 8.57%; Equity Ratio: 53.00%; Date of Order: 12-20-07

Notes:
[1] North Carolina retail jurisdictional revenue equates to 70% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.
[4] The estimated ROE impacts of the BPM net revenues under the sharing arrangement approved in Docket No. E-7, Sub 751 are as follows for the 12-month periods ending June 30th: **2008** - 0.09%; **2007** - 0.04%; **2006** - 1.24%; **2005** - 0.50%; and **2004** - 0.35%. Such impacts are not included in the estimated ROEs presented on Line 29 above. The June 30, 2008 estimated ROE impact relates to the last six months that the sharing arrangement approved in Docket No. E-7, Sub 751 was in effect. Pursuant to the Commission's final Order in Docket No. E-7, Sub 828, effective January 1, 2008, 90% of the North Carolina retail BPM Net Revenues earned after December 31, 2007, are now included in the North Carolina retail cost of service for ratemaking and reporting purposes.
[5] Column (b) reflects that, pursuant to the Commission's December 20, 2007 Order in Docket No. E-7, Sub 828, all North Carolina jurisdictional reporting and accounting for Duke Energy Carolinas, LLC - Nantahala Area is consolidated with Duke Energy Carolinas, LLC.

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

Line No.	Item (a)	June 2008 (b)	June 2007 (c)	June 2006 (d)	June 2005 (e)	June 2004 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue	$315,406	$302,779	$286,135	$282,672	$269,641	4.00%	4.17%
2.	Operating Expenses:							
3.	Fuel	71,235	81,612	62,677	62,679	51,320	8.54%	-12.72%
4.	Purchased Power	95,619	79,634	78,334	57,975	54,339	15.17%	20.07%
5.	Maintenance	0	0	0	0	0	N/A	N/A
6.	Other Operating Expenses	70,489	61,281	55,621	55,221	51,870	7.97%	15.03%
7.	Total Operating Expenses	237,343	222,527	196,632	175,875	157,529	10.79%	6.66%
8.	Depreciation & Amortization	29,511	26,531	28,072	28,235	25,133	4.10%	11.23%
9.	Total Expenses & Depreciation	266,854	249,058	224,704	204,110	182,662	9.94%	7.15%
10.	Total Operating Taxes	27,358	29,026	25,565	28,703	42,087	-10.21%	-5.75%
11.	Total Expenses, Depr. & Taxes	294,212	278,084	250,269	232,813	224,749	6.96%	5.80%
12.	Operating Income	$21,194	$24,695	$35,866	$49,859	$44,892	-17.11%	-14.18%
13.	Net Plant Investment	$553,989	$595,513	$599,796	$605,545	$553,069	0.04%	-6.97%
14.	Oper. Exp. as a % of Total Revenue	75.25%	73.49%	68.72%	62.22%	58.42%	6.53%	2.39%
15.	Net Plt. Investment per $ of Revenue	$1.76	$1.97	$2.10	$2.14	$2.05	-3.74%	-10.66%
16.	Number of Customers Served (000s included):							
17.	Residential	100,379	99,704	99,216	98,135	96,899	0.89%	0.68%
18.	Commercial	15,514	15,499	15,428	15,398	15,204	0.51%	0.10%
19.	Industrial	60	66	69	70	80	-6.94%	-9.09%
20.	Other	2,255	2,235	2,249	2,254	2,248	0.08%	0.89%
21.	Total Number of Customers	118,208	117,504	116,962	115,857	114,431	0.82%	0.60%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,549	1,525	1,523	1,484	1,482	1.11%	1.57%
24.	Commercial	811	792	775	767	755	1.80%	2.40%
25.	Industrial	1,772	1,745	1,749	1,766	1,656	1.71%	1.55%
26.	Other	147	146	148	150	152	-0.83%	0.68%
27.	Total Sales	4,279	4,208	4,195	4,167	4,045	1.42%	1.69%
28.	Estimated Overall Rate of Return	4.44%	4.95%	7.23%	10.15%	9.96%	-18.29%	-10.30%
29.	Estimated Return on Common Equity	3.43%	4.19%	8.79%	15.16%	14.40%	-30.14%	-18.14%
30.	Common Equity Ratio	51.04%	52.63%	49.28%	47.88%	48.25%	1.42%	-3.02%
31.	Debt Ratio	43.79%	41.28%	44.58%	45.72%	47.33%	-1.92%	6.08%
32.	Estimated Pretax Interest Coverage Ratio (Times)	2.65	3.18	3.62	5.13	5.75	-17.61%	-16.67%

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

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

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

Line No.	Item (a)	12 Months Ended June 2008 (b)	June 2007 (c)	June 2006 (d)	Annual Growth Rate Two Year (e)	Current Year (f)
1.	Operating Revenue:					
2.	Residential	$520,410	$524,220	$573,126	-4.71%	-0.73%
3.	Commercial	299,478	294,891	337,819	-5.85%	1.56%
4.	*Industrial*	112,867	101,572	134,114	-8.26%	11.12%
5.	Public Authorities	410	398	437	-3.14%	3.02%
6.	Resale	3	9	7,437	-97.99%	-66.67%
7.	Other	90,325	83,308	78,076	7.56%	8.42%
8.	*Total Operating Revenue*	1,023,493	1,004,398	1,131,009	-4.87%	1.90%
9.	Cost of Gas	665,699	638,453	771,745	-7.12%	4.27%
10.	Margin	357,794	365,945	359,264	-0.20%	-2.23%
11.	O & M Expenses	150,616	146,435	152,145	-0.50%	2.86%
12.	Other Deductions	111,846	115,399	111,737	0.05%	-3.08%
13.	Operating Income	$95,332	$104,111	$95,382	-0.03%	-8.43%
14.	Net Plant Investment	$1,512,541	$1,408,162	$1,311,592	7.39%	7.41%
15.	Operating Exp. as a % of Margin	42.10%	40.02%	42.35%	-0.30%	5.20%
16.	Net Plt. Investment per $ of Margin	$4.23	$3.85	$3.65	7.65%	9.87%
17.	Gas Delivered in DTs (000s omitted):					
18.	Residential	33,065	34,753	32,446	0.95%	-4.86%
19.	Commercial	22,918	24,170	22,994	-0.17%	-5.18%
20.	Industrial	10,701	10,334	11,351	-2.91%	3.55%
21.	Public Authorities	30	30	30	0.00%	0.00%
22.	Resale	0	0	538	N/A	N/A
23.	Other	90,811	85,964	75,191	9.90%	5.64%
24.	Total DTs	157,525	155,251	142,550	5.12%	1.46%
25.	Number of Customers (000s included):					
26.	Residential	590,628	575,683	564,043	2.33%	2.60%
27.	Commercial	63,582	63,203	62,643	0.75%	0.60%
28.	Industrial	1,752	1,739	1,748	0.11%	0.75%
29.	Public Authorities	495	571	571	-6.89%	-13.31%
30.	Resale	0	1	2	N/A	N/A
31.	Other	545	547	564	-1.70%	-0.37%
32.	Total Number of Customers	657,002	641,744	629,571	2.16%	2.38%
33.	*Estimated Overall Rate of Return*	8.03%	9.31%	8.91%	-5.07%	-13.75%
34.	Estimated Return on Common Equity	9.76%	12.08%	11.23%	-6.77%	-19.21%
35.	*Common Equity Ratio*	47.93%	48.97%	51.71%	-3.72%	-2.12%
36.	Debt Ratio	52.07%	51.03%	48.29%	3.84%	2.04%
37.	*Estimated Pretax Interest Coverage* Ratio (Times)	3.33	3.87	4.10	-9.88%	-13.95%

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

Notes: [1] North Carolina retail jurisdictional revenue equates to 63% 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] In its November 3, 2005 Order Approving Partial Rate Increase and Requiring Conservation Initiative, in Docket No. G-9, Sub 499, the Commission authorized the consolidation of the operations, revenues, rate bases, and expenses of North Carolina Natural Gas, Piedmont Natural Gas Company, Inc., and Eastern North Carolina Natural Gas into a single regulated entity. Consequently, effective with the December 2005 NCUC GS-1 Report, financial and operational information for Piedmont Natural Gas Company, Inc., North Carolina Natural Gas, and Eastern North Carolina Gas are reported as one consolidated entity under the name, Piedmont Natural Gas Company, Inc. and consequently, comparisons to prior years are not meaningful.
[5] Piedmont informed the Commission on September 9, 2008, that certain revisions to the purchased gas costs contained in Column (c), Line 9 are necessary to reflect modifications to its methodology for extracting revenues and costs associated with secondary market transactions and to reflect corrections to its jurisdictional allocations between North Carolina and South Carolina. Such revised information will be published once it is available.
[6] 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 Jurisdiction
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended June 2008 (b)	June 2007 (c)	June 2006 (d)	June 2005 (e)	June 2004 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	$374,914	$352,231	$375,567	$329,388	$303,439	5.43%	6.44%
3.	Commercial	163,737	155,445	192,800	159,231	145,002	3.08%	5.33%
4.	Industrial	45,758	30,529	39,881	13,727	8,859	50.75%	49.88%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	2	9	8	7	14	-38.52%	-77.78%
7.	Other	29,375	35,728	51,547	48,405	62,098	-17.07%	-17.78%
8.	Total Operating Revenue	613,786	573,942	659,803	550,758	519,412	4.26%	6.94%
9.	Cost of Gas	410,246	376,652	484,285	370,920	342,951	4.58%	8.92%
10.	Margin	203,540	197,290	175,518	179,838	176,461	3.63%	3.17%
11.	O & M Expenses	85,517	83,566	79,023	79,726	76,968	2.67%	2.33%
12.	Other Deductions	63,003	61,667	56,641	56,162	55,662	3.15%	2.17%
13.	Operating Income	$55,020	$52,057	$39,854	$43,950	$43,831	5.85%	5.69%
14.	Net Plant Investment	$753,555	$677,581	$634,981	$594,280	$575,140	6.99%	11.21%
15.	Operating Exp. as a % of Margin	42.01%	42.36%	45.02%	44.33%	43.62%	-0.94%	-0.83%
16.	Net Plt. Investment per $ of Margin	$3.70	$3.43	$3.62	$3.30	$3.26	3.22%	7.87%
17.	Gas Delivered in DTs (000s omitted):							
18.	Residential	23,552	24,168	22,397	24,207	24,787	-1.27%	-2.55%
19.	Commercial	12,520	13,017	13,915	14,406	14,430	-3.49%	-3.82%
20.	Industrial	4,458	3,348	2,965	1,549	1,111	41.53%	33.15%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22	Resale	0	1	1	1	1	N/A	N/A
23.	Other	29,384	29,137	27,273	30,082	29,903	-0.44%	0.85%
24.	Total DTs	69,914	69,671	66,551	70,245	70,232	-0.11%	0.35%
25.	Number of Customers (000s included):							
26.	Residential	413,951	399,749	382,756	366,641	351,377	4.18%	3.55%
27.	Commercial	39,040	38,651	38,191	37,599	36,643	1.60%	1.01%
28.	Industrial	199	220	61	49	51	40.55%	-9.55%
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30	Resale	2	2	3	3	3	-9.64%	0.00%
31.	Other	456	433	378	394	404	3.07%	5.31%
32.	Total Number of Customers	453,648	439,055	421,389	404,686	388,478	3.95%	3.32%
33.	Estimated Overall Rate of Return	7.76%	7.87%	6.87%	7.90%	8.17%	-1.28%	-1.40%
34.	Estimated Return on Common Equity	9.07%	9.09%	7.08%	9.13%	10.07%	-2.58%	-0.22%
35.	Common Equity Ratio	49.86%	48.77%	50.82%	51.01%	49.03%	0.42%	2.23%
36.	Debt Ratio	50.14%	51.23%	49.18%	48.99%	50.97%	-0.41%	-2.13%
37.	Estimated Pretax Interest Coverage Ratio (Times)	3.22	3.06	2.79	3.34	3.49	-1.99%	5.23%

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

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

BELLSOUTH TELECOMMUNICATIONS, INC., d/b/a
AT&T NORTH CAROLINA
SELECTED FINANCIAL AND OPERATIONAL DATA
North Carolina Operations (Regulated and Nonregulated)
(Amounts In Thousands)

		12 Months Ended					Annual Growth Rate	
Line No.	Item	December 2007	December 2006	December 2005	December 2004	December 2003	Four Year	Current Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Basic Local Service	$708,589	$750,891	$789,411	$846,870	$929,148	-6.55%	-5.63%
3.	Network Access	418,990	427,154	510,471	512,073	521,277	-5.31%	-1.91%
4.	Long Distance Message	26,993	24,017	26,283	22,747	23,603	3.41%	12.39%
5.	Miscellaneous	329,795	333,385	245,987	221,007	197,878	13.62%	-1.08%
6.	Uncollectibles	(20,085)	(23,209)	(17,871)	(26,672)	(30,816)	-10.15%	-13.46%
7.	Total Operating Revenue	1,464,282	1,512,238	1,554,281	1,576,025	1,641,090	-2.81%	-3.17%
8.	Operating Expenses	592,277	777,295	785,634	763,606	777,313	-6.57%	-23.80%
9.	Depreciation & Amortization	453,593	415,783	421,824	436,997	457,424	-0.21%	9.09%
10.	Total Operating Taxes	159,885	108,514	130,897	140,534	154,937	0.79%	47.34%
11.	Total Expenses, Depr. & Taxes	1,205,755	1,301,592	1,338,355	1,341,137	1,389,674	-3.49%	-7.36%
12.	Operating Income	$258,527	$210,646	$215,926	$234,888	$251,416	0.70%	22.73%
13.	Net Telecommunications Plant	$1,886,528	$2,110,865	$2,218,785	$2,312,145	$2,452,004	-6.34%	-10.63%
14.	Oper. Exp. as a % of Total Revenue	40.45%	51.40%	50.55%	48.45%	47.37%	-3.87%	-21.30%
15.	Net Telecomm. Plt. per $ of Revenue	$1.29	$1.40	$1.43	$1.47	$1.49	-3.54%	-7.86%

Notes: [1] *BellSouth Telecommunications, Inc. elected price regulation in June 1996. On December 29, 2006, the merger between AT&T Inc.* and BellSouth Corporation was completed; consequently, at the holding company level, BellSouth Telecommunications, Inc. adopted the AT&T brand name for its products and services. While BellSouth Telecommunications, Inc. will remain a corporate entity certificated in North Carolina, BellSouth will be doing business as AT&T North Carolina.

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: **2007** - **$1,556,000**; **2006** - $5,280,000; **2005** - $8,374,000; **2004** - $7,630,000; and **2003** - $5,347,000.

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

Line No.	Item (a)	12 Months Ended December 2007 (b)	December 2006 (c)	December 2005 (d)	December 2004 (e)	December 2003 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	*Basic Local Service*	$344,580	$358,259	$376,281	$397,964	$409,309	-4.21%	-3.82%
3.	Network Access	246,659	278,006	284,709	298,888	279,714	-3.10%	-11.28%
4.	Long Distance Message	3,842	4,655	5,459	6,146	6,959	-13.80%	-17.47%
5.	Miscellaneous	225,434	179,227	169,894	163,799	176,686	6.28%	25.78%
6.	Uncollectibles	(12,025)	(8,599)	(11,813)	(12,598)	(6,647)	15.98%	39.84%
7.	Total Operating Revenue	808,490	811,548	824,530	854,199	866,021	-1.70%	-0.38%
8.	Operating Expenses	431,514	444,969	445,657	459,569	489,586	-3.11%	-3.02%
9.	Depreciation & Amortization	119,120	117,925	116,747	110,084	154,692	-6.32%	1.01%
10.	Total Operating Taxes	102,982	97,514	105,954	113,408	78,335	7.06%	5.61%
11.	Total Expenses, Depr. & Taxes	653,616	660,408	668,358	683,061	722,613	-2.48%	-1.03%
12.	Operating Income	$154,874	$151,140	$156,172	$171,138	$143,408	1.94%	2.47%
13.	Net Telecommunications Plant	$855,670	$856,004	$846,627	$846,614	$798,533	1.74%	-0.04%
14.	Oper. Exp. as a % of Total Revenue	53.37%	54.83%	54.05%	53.80%	56.53%	-1.43%	-2.66%
15.	Net Telecomm. Plt. per $ of Revenue	$1.06	$1.05	$1.03	$0.99	$0.92	3.60%	0.95%

Notes: [1] Carolina Telephone and Telegraph Company elected price regulation in June 1996. Effective November 15, 2007, Carolina Telephone and Telegraph Company was converted into a North Carolina limited liability company named Carolina Telephone *and Telegraph Company LLC.*

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: **2007** - $28,543,000; **2006** - $29,368,000; **2005** - $33,444,000; **2004** - $35,942,000; and **2003** - $49,620,000.

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

Line No.	Item (a)	December 2007 (b)	December 2006 (c)	December 2005 (d)	December 2004 (e)	December 2003 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Basic Local Service	$79,008	$83,081	$88,473	$94,075	$99,464	-5.59%	-4.90%
3.	Network Access	45,829	52,643	54,503	56,879	55,305	-4.59%	-12.94%
4.	Long Distance Message	1,302	1,892	2,020	3,099	3,425	-21.48%	-31.18%
5.	Miscellaneous	41,075	32,741	31,132	30,091	28,744	9.33%	25.45%
6.	Uncollectibles	(2,722)	(1,617)	(2,186)	(2,218)	(1,790)	11.05%	68.34%
7.	Total Operating Revenue	164,492	168,740	173,942	181,926	185,148	-2.91%	-2.52%
8.	Operating Expenses	92,476	97,759	98,066	99,372	101,946	-2.41%	-5.40%
9.	Depreciation & Amortization	36,036	36,868	44,695	44,237	39,776	-2.44%	-2.26%
10.	Total Operating Taxes	13,919	12,200	11,887	12,587	19,889	-8.54%	14.09%
11.	Total Expenses, Depr. & Taxes	142,431	146,827	154,648	156,196	161,611	-3.11%	-2.99%
12.	Operating Income	$22,061	$21,913	$19,294	$25,730	$23,537	-1.61%	0.68%
13.	Net Telecommunications Plant	$213,679	$226,163	$239,649	$264,452	$281,727	-6.68%	-5.52%
14.	Oper. Exp. as a % of Total Revenue	56.22%	57.93%	56.38%	54.62%	55.06%	0.52%	-2.95%
15.	Net Telecomm. Plt. per $ of Revenue	$1.30	$1.34	$1.38	$1.45	$1.52	-3.83%	-2.99%

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 as follows for the 12-month periods ending December 31st: **2007** - $8,016,000; **2006** - $5,240,000; **2005** - $5,060,000; **2004** - $6,910,000; and **2003** - $11,493,000.

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

Line No.	Item (a)	June 2008 (b)	June 2007 (c)	June 2006 (d)	June 2005 (e)	June 2004 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Basic Local Service	$5,196	$5,239	$5,332	$5,608	$5,838	-2.87%	-0.82%
3.	Network Access	4,583	4,306	4,198	3,855	3,727	5.30%	6.43%
4.	*Long Distance Message*	438	1,172	1,275	1,107	1,106	-20.67%	-62.63%
5.	Miscellaneous	1,135	1,086	1,143	1,134	1,119	0.36%	4.51%
6.	Uncollectibles	(11)	(16)	(9)	(13)	(21)	-14.93%	-31.25%
7.	Total Operating Revenue	11,341	11,787	11,939	11,691	11,769	-0.92%	-3.78%
8.	Operating Expenses	6,569	6,591	5,856	5,559	5,114	6.46%	-0.33%
9.	Depreciation & Amortization	2,816	2,768	2,747	2,603	2,520	2.82%	1.73%
10.	Total Operating Taxes	926	968	1,366	1,133	1,566	-12.31%	-4.34%
11.	Total Expenses, Depr. & Taxes	10,311	10,327	9,969	9,295	9,200	2.89%	-0.15%
12.	Operating Income	$1,030	$1,460	$1,970	$2,396	$2,569	-20.43%	-29.45%
13.	Net Plant Investment	$28,345	$28,369	$28,290	$27,346	$26,607	1.59%	-0.08%
14.	Oper. Exp. as a % of Total Revenue	57.92%	55.92%	49.05%	47.55%	43.45%	7.45%	3.58%
15.	*Net Plt. Investment per $ of Revenue*	$2.50	$2.41	$2.37	$2.34	$2.26	2.56%	3.73%
16.	Total Access Lines (000s included):							
17.	Residential	15,965	16,443	16,690	16,831	16,991	-1.55%	-2.91%
18.	Business	4,505	4,490	4,504	4,406	4,327	1.01%	0.33%
19.	Total Access Lines	20,470	20,933	21,194	21,237	21,318	-1.01%	-2.21%
20.	Estimated Overall Rate of Return	4.11%	5.69%	7.58%	9.54%	10.32%	-20.56%	-27.77%
21.	Estimated Return on Common Equity	4.11%	5.33%	7.32%	9.90%	11.02%	-21.85%	-22.89%
22.	Common Equity Ratio	100.00%	91.87%	77.59%	74.84%	72.89%	8.23%	8.85%
23.	Debt Ratio	0.00%	8.13%	22.41%	25.16%	27.11%	N/A	N/A
24.	Estimated Pretax Interest Coverage Ratio (Times)	N/A	11.20	6.53	6.83	7.20	N/A	N/A

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

Notes: [1] 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.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	June 2008 (b)	June 2007 (c)	June 2006 (d)	June 2005 (e)	June 2004 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Basic Local Service	$10,591	$11,473	$12,505	$12,568	$12,580	-4.21%	-7.69%
3.	Network Access	5,447	5,488	5,452	5,405	5,273	0.81%	-0.75%
4.	Long Distance Message	122	141	151	173	185	-9.89%	-13.48%
5.	Miscellaneous	2,578	2,428	2,488	2,402	2,210	3.93%	6.18%
6.	Uncollectibles	(413)	(244)	(265)	(244)	(237)	14.89%	69.26%
7.	Total Operating Revenue	18,325	19,286	20,331	20,304	20,011	-2.18%	-4.98%
8.	Operating Expenses	8,127	8,485	6,582	6,748	7,204	3.06%	-4.22%
9.	*Depreciation & Amortization*	2,641	3,792	4,155	3,659	3,407	-6.17%	-30.35%
10.	Total Operating Taxes	2,462	4,305	5,087	5,840	5,554	-18.40%	-42.81%
11.	Total Expenses, Depr. & Taxes	13,230	16,582	15,824	16,247	16,165	-4.89%	-20.21%
12.	Operating Income	$5,095	$2,704	$4,507	$4,057	$3,846	7.28%	88.42%
13.	Net Plant Investment	$30,151	$30,990	$35,796	$34,822	$36,752	-4.83%	-2.71%
14.	Oper. Exp. as a % of Total Revenue	44.35%	44.00%	32.37%	33.23%	36.00%	5.35%	0.80%
15.	Net Plt. Investment per $ of Revenue	$1.65	$1.61	$1.76	$1.72	$1.84	-2.69%	2.48%
16.	Total Access Lines (000s included):							
17.	Residential	17,653	19,330	20,870	22,070	22,970	-6.37%	-8.68%
18.	Business	7,520	8,047	8,355	8,543	8,875	-4.06%	-6.55%
19.	Total Access Lines	25,173	27,377	29,225	30,613	31,845	-5.71%	-8.05%
20.	Estimated Overall Rate of Return	21.09%	9.87%	14.98%	13.00%	11.89%	15.40%	113.68%
21.	Estimated Return on Common Equity	21.09%	10.02%	15.21%	13.13%	11.96%	15.24%	110.48%
22.	Common Equity Ratio	100.00%	98.26%	97.43%	97.67%	97.24%	0.70%	1.77%
23.	*Debt Ratio*	0.00%	1.74%	2.57%	2.33%	2.76%	N/A	N/A
24.	Estimated Pretax Interest Coverage Ratio (Times)	N/A	N/A	194.29	165.53	99.17	N/A	N/A

25. **LAST RATE CASE** (Docket No. P-31, Sub 110) — *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.
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	December 2007 (b)	December 2006 (c)	December 2005 (d)	December 2004 (e)	December 2003 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	*Basic Local Service*	$4,790	$4,863	$4,918	$4,753	$4,922	-0.68%	-1.50%
3.	Network Access	6,933	6,480	5,014	3,931	3,652	17.38%	6.99%
4.	Long Distance Message	76	73	71	107	133	-13.06%	4.11%
5.	Miscellaneous	1,676	1,663	1,611	1,578	1,502	2.78%	0.78%
6.	Uncollectibles	7	(4)	(176)	(24)	(69)	N/A	N/A
7.	Total Operating Revenue	13,482	13,075	11,438	10,345	10,140	7.38%	3.11%
8.	Operating Expenses	7,986	5,841	5,860	5,120	4,704	14.15%	36.72%
9.	Depreciation & Amortization	3,650	3,031	2,436	1,142	1,554	23.80%	20.42%
10.	Total Operating Taxes	845	2,354	1,314	2,010	1,555	-14.14%	-64.10%
11.	Total Expenses, Depr. & Taxes	12,481	11,226	9,610	8,272	7,813	12.42%	11.18%
12.	Operating Income	$1,001	$1,849	$1,828	$2,073	$2,327	-19.01%	-45.86%
13.	Net Telecommunications Plant	$19,380	$21,341	$22,393	$10,646	$10,931	15.39%	-9.19%
14.	Oper. Exp. as a % of Total Revenue	59.23%	44.67%	51.23%	49.49%	46.39%	6.30%	32.59%
15.	Net Telecomm. Plt. per $ of Revenue	$1.44	$1.63	$1.96	$1.03	$1.08	7.46%	-11.66%

Notes: [1] *Mebtel Communications elected price regulation in September 1999. Effective April 30, 2007, CenturyTel, Inc. acquired all the stock* of Madison River Communications Corporation, the ultimate parent of Mebtel, Inc. and its affiliates, which affected the indirect transfer of control of each of these entities, including Mebtel Communications, to CenturyTel, Inc.

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

[3] *Source of Data: Annual Report.*

[4] Net Telecommunications Plant reflects net plant for North Carolina regulated operations only, including plant under construction as follows for the 12-month periods ending December 31st: **2007** - $821,831; **2006** - $536,834; **2005** - $1,052,185; **2004** - $295,794; and **2003** - $523,765.

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

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

Line No.	Item	December 2007	December 2006	December 2005	December 2004	December 2003	Annual Growth Rate Four Year	Annual Growth Rate Current Year
		12 Months Ended						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Basic Local Service	$32,946	$34,147	$35,625	$36,873	$36,793	-2.72%	-3.52%
3.	Network Access	33,575	35,000	37,882	37,232	36,373	-1.98%	-4.07%
4.	Long Distance Message	904	1,021	1,354	1,444	1,828	-16.14%	-11.46%
5.	Miscellaneous	40,744	37,217	34,236	31,270	28,415	9.43%	9.48%
6.	Uncollectibles	(1,555)	(1,110)	(876)	(798)	(592)	27.31%	40.09%
7.	Total Operating Revenue	106,614	106,275	108,221	106,021	102,817	0.91%	0.32%
8.	Operating Expenses	64,555	61,672	62,113	58,444	56,776	3.26%	4.67%
9.	Depreciation & Amortization	17,533	15,822	21,482	20,376	19,641	-2.80%	10.81%
10.	Total Operating Taxes	10,304	12,762	10,250	11,260	10,942	-1.49%	-19.26%
11.	Total Expenses, Depr. & Taxes	92,392	90,256	93,845	90,080	87,359	1.41%	2.37%
12.	Operating Income	$14,222	$16,019	$14,376	$15,941	$15,458	-2.06%	-11.22%
13.	Net Telecommunications Plant	$133,116	$124,413	$114,675	$116,270	$118,507	2.95%	7.00%
14.	Oper. Exp. as a % of Total Revenue	60.55%	58.03%	57.39%	55.12%	55.22%	2.33%	4.34%
15.	Net Telecomm. Plt. per $ of Revenue	$1.25	$1.17	$1.06	$1.10	$1.15	2.11%	6.84%

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 Reports.
[4] Net Telecommunications Plant reflects net plant for total North Carolina operations, including plant under construction as follows for the 12-month periods ending December 31st: **2007** - $6,983,609; **2006** - $6,493,809; **2005** - $2,851,674; **2004** - $1,916,334; and **2003** - $146,211.

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

Line No.	Item (a)	December 2007 (b)	December 2006 (c)	December 2005 (d)	December 2004 (e)	December 2003 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Basic Local Service	$107,049	$111,919	$118,145	$124,187	$127,385	-4.26%	-4.35%
3.	Network Access	104,293	105,858	112,867	119,511	123,594	-4.16%	-1.48%
4.	*Long Distance Message*	*4,915*	*2,502*	*2,089*	*2,193*	*3,355*	*10.02%*	*96.44%*
5.	Miscellaneous	33,216	33,100	29,234	37,205	41,743	-5.55%	0.35%
6.	Uncollectibles	1,636	(3,600)	(4,405)	(2,391)	(5,181)	N/A	N/A
7.	Total Operating Revenue	251,109	249,779	257,930	280,705	290,896	-3.61%	0.53%
8.	Operating Expenses	136,861	128,848	149,029	169,316	202,202	-9.30%	6.22%
9.	Depreciation & Amortization	63,662	73,454	78,390	74,505	73,813	-3.63%	-13.33%
10.	Total Operating Taxes	17,719	14,799	8,689	(2,632)	(414)	N/A	19.73%
11.	Total Expenses, Depr. & Taxes	218,242	217,101	236,108	241,189	275,601	-5.67%	0.53%
12.	Operating Income	$32,867	$32,678	$21,822	$39,516	$15,295	21.07%	0.58%
13.	Net Telecommunications Plant	$324,977	$335,075	$365,007	$396,523	$428,739	-6.69%	-3.01%
14.	Oper. Exp. as a % of Total Revenue	54.50%	51.58%	57.78%	60.32%	69.51%	-5.90%	5.66%
15.	*Net Telecomm. Plt. per $ of Revenue*	*$1.29*	*$1.34*	*$1.42*	*$1.41*	*$1.47*	-3.21%	-3.73%

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

[5] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: **2007** - $2,307,401; **2006** - $2,068,101; **2005** - $1,426,199; **2004** - $780,789; and **2003** - $1,726,474.

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

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

Line No.	Item (a)	December 2007 (b)	December 2006 (c)	December 2005 (d)	December 2004 (e)	December 2003 (f)	Annual Growth Rate Four Year (g)	Annual Growth Rate Current Year (h)
		12 Months Ended						
1.	Operating Revenue:							
2.	Basic Local Service	$36,222	$51,502	$50,128	$48,296	$51,581	-8.46%	-29.67%
3.	Network Access	42,458	30,852	31,924	29,766	30,866	8.30%	37.62%
4.	Long Distance Message	728	2,110	2,255	2,839	3,928	-34.39%	-65.50%
5.	Miscellaneous	11,392	12,781	11,246	12,313	9,891	3.60%	-10.87%
6.	Uncollectibles	(252)	(313)	(285)	(222)	(395)	-10.63%	-19.49%
7.	Total Operating Revenue	90,548	96,932	95,268	92,992	95,871	-1.42%	-6.59%
8.	Operating Expenses	67,250	52,103	50,025	46,291	43,956	11.22%	29.07%
9.	Depreciation & Amortization	19,444	22,853	19,836	22,077	22,928	-4.04%	-14.92%
10.	Total Operating Taxes	198	7,894	7,933	10,193	10,096	-62.58%	-97.49%
11.	Total Expenses, Depr. & Taxes	86,892	82,850	77,794	78,561	76,980	3.07%	4.88%
12.	Operating Income	$3,656	$14,082	$17,474	$14,431	$18,891	-33.67%	-74.04%
13.	Net Telecommunications Plant	$69,459	$82,404	$80,438	$83,704	$83,897	-4.61%	-15.71%
14.	Oper. Exp. as a % of Total Revenue	74.27%	53.75%	52.51%	49.78%	45.85%	12.82%	38.18%
15.	Net Telecomm. Plt. per $ of Revenue	$0.77	$0.85	$0.84	$0.90	$0.88	-3.28%	-9.41%

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

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant in service for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: **2007** - $6,751,518; **2006** - $7,563,825; **2005** - $3,926,131; **2004** - $3,557,940; and **2003** - $1,819,772.

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

Line No.	Item (a)	12 Months Ended December 2007 (b)	December 2006 (c)	December 2005 (d)	December 2004 (e)	December 2003 (f)	Annual Growth Rate Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	$66,926	$70,624	$73,646	$72,927	$73,988	-2.48%	-5.24%
3.	Network Access	62,849	65,326	64,125	60,130	58,024	2.02%	-3.79%
4.	Long Distance Message	2,555	3,971	4,024	3,894	4,036	-10.80%	-35.66%
5.	Miscellaneous	18,013	18,373	15,993	16,469	17,028	1.42%	-1.96%
6.	Uncollectibles	(1,029)	(547)	(1,135)	(1,242)	(1,364)	-6.80%	88.12%
7.	Total Operating Revenue	149,314	157,747	156,653	152,178	151,712	-0.40%	-5.35%
8.	Operating Expenses	63,330	68,347	59,350	60,856	61,130	0.89%	-7.34%
9.	Depreciation & Amortization	36,602	23,978	32,696	31,743	30,209	4.92%	52.65%
10.	Total Operating Taxes	18,058	23,431	19,283	17,514	16,905	1.66%	-22.93%
11.	Total Expenses, Depr. & Taxes	117,990	115,756	111,329	110,113	108,244	2.18%	1.93%
12.	Operating Income	$31,324	$41,991	$45,324	$42,065	$43,468	-7.86%	-25.40%
13.	Net Telecommunications Plant	$244,381	$253,564	$251,877	$255,558	$260,066	-1.54%	-3.62%
14.	Oper. Exp. as a % of Total Revenue	42.41%	43.33%	37.89%	39.99%	40.29%	1.29%	-2.12%
15.	Net Telecomm. Plt. per $ of Revenue	$1.64	$1.61	$1.61	$1.68	$1.71	-1.04%	1.86%

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

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

[3] Source of Data: Annual Report.

[4] Net Telecommunications Plant reflects net plant for total North Carolina operations (regulated and nonregulated), including plant under construction as follows for the 12-month periods ending December 31st: **2007** - $14,362,281; **2006** - $18,512,749; **2005** - $13,189,584; **2004** - $9,882,424; and **2003** - $12,273,102.

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