

# *"Quarterly Review"*

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## *Selected Financial and Operational Data:*

*Re:*

### *Electric Companies*

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

### *Natural Gas Local Distribution Companies*

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

### *Telecommunications Companies*

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

■ *Quarter Ending March 31, 1996* ■

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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.*

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**The *Quarterly Review* has been designed and is structured so as to provide, in a clear and concise format, relevant and useful financial and operational information pertaining to 18 major investor-owned public utilities regulated by the North Carolina Utilities Commission (Commission): four electric companies, four natural gas local distribution companies, and 10 telecommunications companies. The primary focus of this report is one of a jurisdictional financial nature. However, albeit limited, certain jurisdictional operational information is also included.**

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

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

### ***A Specific Objective***

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

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

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

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

### *The Key Financial Ratios*

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

#### *The Return on Common Equity*

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

#### *The Common Equity Capitalization Ratio*

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

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

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

### *The Pre-tax Interest Coverage Ratio*

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

### *The Overall Rate of Return*

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

### *The Propriety of The Methodology*

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

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

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

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

### ***A Final Note***

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

**The Operations Division will be pleased to respond to any questions or comments concerning this report.**

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## ***Part II***

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

- ▣ ***Summary Statement of Key Financial Ratios For 18 Selected Companies For The Twelve Months Ended March 31, 1996 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios***
  
- ▣ ***Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By Public Utilities Reports, Volume Nos. 157 - 168, from January 1995 Through June 1996***

**Summary Statement of Key  
Financial Ratios Earned Or Achieved by Selected Companies**

**"Estimated Returns on Common Equity, Overall Rates of Return,  
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios"**

**(Twelve Months Ended March 31, 1996)**

<u>Line No.</u>	<u>Item (a)</u>	<u>Return on Equity (b)</u>	<u>Overall Rate of Return (c)</u>	<u>Equity Ratio (d)</u>	<u>Pre-tax Interest Coverage Ratio (e)</u>
<b><i>Electric Companies</i></b>					
1.	Carolina Power & Light Company	13.15%	10.13%	49.52%	4.38
2.	Duke Power Company	12.07%	9.87%	52.78%	4.96
3.	Nantahala Power and Light Company	6.48%	7.05%	62.91%	2.89
4.	North Carolina Power	10.58%	8.84%	45.36%	3.44
<b><i>Natural Gas Local Distribution Companies</i></b>					
5.	North Carolina Gas Service, Division of NUI	13.00%	11.37%	44.22%	2.77
6.	North Carolina Natural Gas Corporation	11.94%	10.54%	60.57%	4.62
7.	Piedmont Natural Gas Company, Inc.	11.70%	10.03%	52.27%	3.51
8.	Public Service Company of North Carolina, Inc.	13.46%	11.26%	53.57%	3.90
<b><i>Telecommunications Companies</i></b>					
9.	ALLTEL Carolina, Inc.	19.83%	15.31%	62.13%	7.67
10.	BellSouth Telecommunications, Inc.	18.61%	13.73%	58.30%	10.24
11.	Carolina Telephone and Telegraph Company	17.04%	13.59%	62.94%	7.14
12.	Central Telephone Company	14.30%	12.98%	67.41%	5.72
13.	Citizens Telephone Company	17.53%	12.73%	49.66%	4.29
14.	Concord Telephone Company	17.57%	16.02%	86.01%	36.99
15.	GTE South Incorporated	13.09%	10.93%	59.59%	4.91
16.	Lexington Telephone Company	14.85%	13.59%	80.04%	12.76
17.	MEBTEL Communications	23.32%	13.61%	43.66%	4.01
18.	North State Telephone Company	17.25%	16.49%	92.90%	76.06

**NOTES: [1] Information presented is on a North Carolina jurisdictional basis except for Lexington Telephone Company, MEBTEL Communications, and North State Telephone Company which are presented on a total company basis.**

**Summary Statement of Key  
Financial Ratios Earned Or Achieved by Selected Companies**

**"Estimated Returns on Common Equity, Overall Rates of Return,  
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios"  
"continued"**

(Twelve Months Ended March 31, 1996)

**NOTES - continued**

**NOTES:** [2] Standard and Poor's 1994 annual "Global Sector Review" reflects the following benchmark-ratio ranges for total debt capitalization ratios and pre-tax interest coverage ratios for electric utilities and natural gas local distribution companies; telecommunications utilities are not included in that publication:

Line No.	Item (a)	RANGE	
		BONDS RATED "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

[3] Selected financial market indicators from "Moody's Credit Perspectives", Volume 89, No. 34, August 19, 1996 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.	August 15, 1996	5.06	6.59	6.80	5.41	7.74
2.	Month of July 1996	5.16	6.85	7.03	5.53	7.95
3.	Month of June 1996	5.21	6.90	7.05	5.48	7.99
4.	Past 12 Months:					
5.	Average	5.29	6.20	6.54	5.56	7.53
6.	Low	4.89	5.51	5.94	5.12	7.00
7.	High	5.70	7.06	7.19	5.97	8.11

**Part II**

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

Line No.	Rating (a)	8/15/96 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	July 1996 (e)	June 1996 (f)
1.	Aaa	7.56	7.90	6.82	7.78	7.83
2.	Aa	7.63	7.96	6.92	7.83	7.87
3.	A	7.82	8.15	7.14	8.02	8.06

**Summary Statement of Key  
Financial Ratios Earned Or Achieved by Selected Companies**

**"Estimated Returns on Common Equity, Overall Rates of Return,  
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios"  
"continued"**

(Twelve Months Ended March 31, 1996)

**NOTES - continued**

**NOTES: [3] Selected financial market indicators from "Moody's Credit Perspectives", Volume 89, No. 34, August 19, 1996 follow - continued:**

**Part III**

**New offerings by public utilities - listing is all inclusive for week of August 19, 1996:**

<u>Line No.</u>	<u>Company Name</u> (a)	<u>Amount</u> (b)	<u>Term</u> (c)	<u>Yield</u>		<u>Rating</u> (f)
				<u>Current</u> (d)	<u>Maturity</u> (e)	
1.	Northern Illinois Gas Co.	\$75 Million	5 Years	6.45%	6.58%	Aa1
2.	Pacific Bell	\$250 Million	10 Years	6.88%	6.97%	Aa3
3.	Southwest Gas Corporation	\$75 Million	10 Years	7.50%	7.62%	Baa3
4.	Southwest Gas Corporation	\$75 Million	30 Years	8.00%	8.03%	Baa3

**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. 157-168, from January 1995 through June 1996**

(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)		
<b>Electric Companies</b>					
1.	Pacific Gas and Electric Company (CA)	12.10%	9.79%	11/22/94	Volume 158
2.	San Diego Gas & Electric Company (CA)	12.05%	9.76%	11/22/94	Volume 158
3.	Southern California Edison Company (CA)	12.10%	9.80%	11/22/94	Volume 158
4.	Sierra Pacific Power Company (CA)	11.30%	9.42%	11/22/94	Volume 158
5.	Gulf States Utilities Company (LA)	10.95%	N/A	12/29/94	Volume 159
6.	Hawaii Electric Light Company, Inc. (HI)	12.60%	9.87%	2/10/95	Volume 159
7.	Ohio Power Company (OH)	11.89%	10.66%	3/23/95	Volume 160
8.	Portland General Electric Company (OR)	N/A	9.51-9.60%	3/29/95	Volume 160
9.	Idaho Power Company (ID)	11.00%	9.199%	1/31/95	Volume 161
10.	IES Utilities, Inc. (IA)	11.625%	N/A	5/12/95	Volume 162
11.	Potomac Electric Power Company (DC)	11.10%	9.09%	6/30/95	Volume 162
12.	Massachusetts Electric Company (MA)	11.00%	N/A	9/29/95	Volume 164
13.	New York State Electric and Gas Corp. (NY)	11.10-11.20%	N/A	9/27/95	Volume 165
14.	Pacific Gas and Electric Company (CA)	11.60%	9.49%	11/21/95	Volume 165
15.	Southern California Edison Company (CA)	11.60%	9.55%	11/21/95	Volume 165
16.	San Diego Gas & Electric Company (CA)	11.60%	9.37%	11/21/95	Volume 165
17.	Sierra Pacific Power Company (CA)	11.60%	9.59%	11/21/95	Volume 165
18.	South Carolina Electric and Gas Company (SC)	12.00%	9.60%	1/9/96	Volume 167
19.	Consumers Power Company (MI)	12.25%	8.05%	2/5/96	Volume 167
20.	Cleveland Electric Illuminating Company (OH)	12.59%	10.06%	4/11/96	Volume 168
21.	Toledo Edison Company (OH)	12.59%	10.06%	4/11/96	Volume 168
<b>Natural Gas Local Distribution Companies</b>					
22.	Pacific Gas and Electric Company (CA)	12.10%	9.79%	11/22/94	Volume 158
23.	San Diego Gas & Electric Company (CA)	12.05%	9.76%	11/22/94	Volume 158
24.	Southern California Gas Company (CA)	12.00%	9.67%	11/22/94	Volume 158
25.	Southwest Gas Corp.-Southern California Div. (CA)	11.35%	9.94%	11/22/94	Volume 158
26.	Southwest Gas Corp.-Northern California Div. (CA)	11.35%	10.02%	11/22/94	Volume 158

**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. 157-168, from January 1995 through June 1996**

(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)		
<b>Natural Gas Local Distribution Companies - continued</b>					
27.	Central Illinois Light Company (IL)	11.82%	9.24%	12/12/94	Volume 158
28.	Midwest Gas, Div. Midwest Power Systems, Inc. (IA)	11.95%	9.6155%	5/19/95	Volume 161
29.	National Fuel Gas Distribution Corporation (NY)	10.40%	N/A	9/15/95	Volume 164
30.	Washington Gas Light Company, Va. Div. (VA)	11.50%	N/A	9/28/95	Volume 164
31.	Shenandoah Gas Company (VA)	N/A	8.33%	9/18/95	Volume 164
32.	Mountain Fuel Supply Company (UT)	N/A	10.22-10.34%	10/17/95	Volume 165
33.	Pacific Gas and Electric Company (CA)	12.10%	9.03%	11/21/95	Volume 165
34.	San Diego Gas & Electric Company (CA)	11.60%	9.37%	11/21/95	Volume 165
35.	Southern California Gas Company (CA)	11.60%	9.42%	11/21/95	Volume 165
36.	Connecticut Natural Gas Corporation (CT)	10.76%	9.58%	10/13/95	Volume 166
37.	Northern States Power Company (WI)	11.30%	10.72%	12/21/95	Volume 165
38.	Virginia Natural Gas, Inc. (VA)	11.30%	9.64%	1/30/96	Volume 167
39.	Interstate Power Company (MN)	10.75%	8.817%	2/29/96	Volume 167
40.	Consumers Power Company (MI)	11.60%	7.83%	3/11/96	Volume 167
41.	Montana-Dakota Utilities Company (MT)	12.00%	10.913%	4/11/96	Volume 168
<b>Telecommunications Companies</b>					
42.	New England Tel & Tel Co., d/b/a NYNEX (ME)	12.50%	10.44%	5/15/95	Volume 162
43.	Cincinnati Bell Telephone Company (KY)	12.50-13.50%	10.70-11.29%	5/23/95	Volume 162
44.	U S West Communications, Inc. (UT)	11.50%	9.72%	11/6/95	Volume 165
45.	South Central Bell Telephone Company (TN)	12.50%	10.35%	1/23/96	Volume 166
46.	New England Telephone and Telegraph Co. (VT)	11.50%	N/A	2/13/96	Volume 168
<b>Water Companies</b>					
47.	Inter-State Water Company (IL)	11.80%	10.19%	4/19/95	Volume 161
48.	Fulton Water Company (CA)	N/A	11.80%	10/5/95	Volume 165

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***
  - ***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***
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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 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,118,909	\$1,970,549	\$2,007,261	\$1,893,139	\$1,861,828	3.29%	7.53%
2.	Operating Expenses:							
3.	Fuel	349,915	337,909	354,379	308,023	310,399	3.04%	3.55%
4.	Purchased Power	276,596	251,875	256,970	223,612	189,232	9.95%	9.81%
5.	Maintenance	141,694	137,699	150,874	191,433	133,807	1.44%	2.90%
6.	Other Operating Expenses	<u>389,157</u>	<u>369,915</u>	<u>354,527</u>	<u>310,733</u>	<u>307,481</u>	<u>6.07%</u>	<u>5.20%</u>
7.	Total Operating Expenses	1,157,362	1,097,398	1,116,750	1,033,801	940,919	5.31%	5.46%
8.	Depreciation & Amortization	<u>278,461</u>	<u>276,874</u>	<u>295,389</u>	<u>281,603</u>	<u>297,059</u>	<u>-1.60%</u>	<u>0.57%</u>
9.	Total Expenses & Depreciation	1,435,823	1,374,272	1,412,139	1,315,404	1,237,978	3.78%	4.48%
10.	Total Operating Taxes	<u>310,165</u>	<u>252,615</u>	<u>250,965</u>	<u>241,218</u>	<u>243,378</u>	<u>6.25%</u>	<u>22.78%</u>
11.	Total Expenses, Depr. & Taxes	<u>1,745,988</u>	<u>1,626,887</u>	<u>1,663,104</u>	<u>1,556,622</u>	<u>1,481,356</u>	<u>4.19%</u>	<u>7.32%</u>
12.	Operating Income	<u>\$372,921</u>	<u>\$343,662</u>	<u>\$344,157</u>	<u>\$336,517</u>	<u>\$380,472</u>	<u>-0.50%</u>	<u>8.51%</u>
13.	Net Plant Investment	<u>\$4,211,881</u>	<u>\$4,054,054</u>	<u>\$4,038,717</u>	<u>\$4,087,628</u>	<u>\$4,101,582</u>	<u>0.67%</u>	<u>3.89%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	54.62%	55.69%	55.64%	54.61%	50.54%	1.96%	-1.92%
15.	Net Plt. Investment per \$ of Revenue	\$1.99	\$2.06	\$2.01	\$2.16	\$2.20	-2.48%	-3.40%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	799	779	749	748	720	0.23%	2.57%
18.	Commercial	137	130	132	124	120	3.37%	5.38%
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>942</u>	<u>915</u>	<u>887</u>	<u>878</u>	<u>846</u>	<u>2.72%</u>	<u>2.95%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	10,591	9,425	9,851	9,167	8,824	4.67%	12.37%
24.	Commercial	7,974	6,938	7,350	6,938	6,758	4.22%	14.93%
25.	Industrial	10,964	10,960	10,435	10,188	9,731	3.03%	0.04%
26.	Other	4,402	2,020	1,393	1,036	1,554	29.73%	117.92%
27.	Total Sales	<u>33,931</u>	<u>29,343</u>	<u>29,029</u>	<u>27,329</u>	<u>26,867</u>	<u>6.01%</u>	<u>15.64%</u>
<hr/>								
28.	Estimated Overall Rate of Return	10.13%	9.66%	<i>8.82%</i>	<i>9.19%</i>	<i>10.17%</i>	-0.10%	4.87%
29.	Estimated Return on Common Equity	13.15%	12.37%	<i>12.24%</i>	<i>11.03%</i>	<i>12.64%</i>	0.99%	6.31%
30.	Common Equity Ratio	49.52%	49.47%	<i>48.48%</i>	<i>46.62%</i>	<i>45.03%</i>	2.40%	0.10%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.38	4.02	<i>3.80</i>	<i>3.28</i>	<i>3.39</i>	6.62%	8.96%
<hr/>								
32.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 12.75%		Equity Ratio: 44.00%		Date of Order: 8-5-88		

Notes: [1] North Carolina retail jurisdictional revenue equates to 69% of total company electric utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC ES-1 Reports except for data in Italics [Lines 28 - 31, Columns (d) - (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 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,831,555	\$2,664,569	\$2,713,716	\$2,551,023	\$2,464,185	3.54%	6.27%
2.	Operating Expenses:							
3.	Fuel	468,655	428,028	433,375	394,652	410,292	3.38%	9.49%
4.	Purchased Power	284,617	297,790	314,094	302,532	307,236	-1.89%	-4.42%
5.	Maintenance	296,314	277,017	248,906	256,762	238,830	5.54%	6.97%
6.	Other Operating Expenses	<u>545,244</u>	<u>511,723</u>	<u>460,811</u>	<u>414,309</u>	<u>421,127</u>	6.67%	6.55%
7.	Total Operating Expenses	1,594,830	1,514,558	1,457,186	1,368,255	1,377,485	3.73%	5.30%
8.	Depreciation & Amortization	<u>302,426</u>	<u>293,809</u>	<u>313,247</u>	<u>328,910</u>	<u>297,133</u>	0.44%	2.93%
9.	Total Expenses & Depreciation	1,897,256	1,808,367	1,770,433	1,697,165	1,674,618	3.17%	4.92%
10.	Total Operating Taxes	<u>428,552</u>	<u>392,492</u>	<u>430,331</u>	<u>373,217</u>	<u>338,108</u>	6.11%	9.19%
11.	Total Expenses, Depr. & Taxes	2,325,808	2,200,859	2,200,764	2,070,382	2,012,726	3.68%	5.68%
12.	Operating Income	<u>\$505,747</u>	<u>\$463,710</u>	<u>\$512,952</u>	<u>\$480,641</u>	<u>\$451,459</u>	2.88%	9.07%
13.	Net Plant Investment	<u>\$5,922,926</u>	<u>\$5,641,269</u>	<u>\$5,575,172</u>	<u>\$5,601,503</u>	<u>\$5,425,068</u>	2.22%	4.99%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	56.32%	56.84%	53.70%	53.64%	55.90%	0.19%	-0.91%
15.	Net Plt. Investment per \$ of Revenue	\$2.09	\$2.12	\$2.05	\$2.20	\$2.20	-1.27%	-1.42%
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16.	Number of Customers Served:							
17.	Residential	1,169	1,139	1,116	1,098	1,076	2.09%	2.63%
18.	Commercial	183	177	172	168	163	2.94%	3.39%
19.	Industrial	7	7	7	7	7	0.00%	0.00%
20.	Other	6	6	6	6	6	0.00%	0.00%
21.	Total Number of Customers	<u>1,365</u>	<u>1,329</u>	<u>1,301</u>	<u>1,279</u>	<u>1,252</u>	2.18%	2.71%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	15,399	14,052	14,942	13,705	13,536	3.28%	9.59%
24.	Commercial	14,559	13,701	13,490	12,562	12,384	4.13%	6.26%
25.	Industrial	17,496	17,441	16,841	16,011	15,725	2.70%	0.32%
26.	Other	<u>198</u>	<u>193</u>	<u>187</u>	<u>182</u>	<u>176</u>	2.99%	2.59%
27.	Total Sales	<u>47,652</u>	<u>45,387</u>	<u>45,460</u>	<u>42,460</u>	<u>41,821</u>	3.32%	4.99%
<hr/>								
28.	Estimated Overall Rate of Return	9.87%	9.39%	<i>10.45%</i>	<i>9.77%</i>	<i>9.77%</i>	0.25%	5.11%
29.	Estimated Return on Common Equity	12.07%	11.31%	<i>13.44%</i>	<i>11.87%</i>	<i>11.27%</i>	1.73%	6.72%
30.	Common Equity Ratio	52.78%	51.77%	<i>51.15%</i>	<i>50.45%</i>	<i>50.11%</i>	1.31%	1.95%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.93	4.65	<i>3.83</i>	<i>4.77</i>	<i>4.02</i>	5.23%	6.02%
<hr/>								
32.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 12.50%		Equity Ratio: 49.82%		Date of Order: 11-12-91		

Notes: [1] North Carolina retail jurisdictional revenue equates to 64% of total company electric utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC ES-1 Reports except for data in Italics [Lines 28-31, Columns (d) - (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$66,953	\$61,626	\$67,491	\$58,242	\$51,438	6.81%	8.64%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	9,976	7,045	12,115	715	365	128.65%	41.60%
4.	Purchased Power - Regular	25,702	22,861	23,767	31,467	27,101	-1.32%	12.43%
5.	Maintenance	5,551	4,108	5,315	4,444	4,365	6.19%	35.13%
6.	Other Operating Expenses	<u>7,733</u>	<u>8,144</u>	<u>8,241</u>	<u>6,729</u>	<u>6,949</u>	<u>2.71%</u>	<u>-5.05%</u>
7.	Total Operating Expenses	48,962	42,158	49,438	43,355	38,780	6.00%	16.14%
8.	Depreciation & Amortization	<u>4,999</u>	<u>4,530</u>	<u>3,992</u>	<u>4,593</u>	<u>4,188</u>	<u>4.52%</u>	<u>10.35%</u>
9.	Total Expenses & Depreciation	53,961	46,688	53,430	47,948	42,968	5.86%	15.58%
10.	Total Operating Taxes	<u>6,000</u>	<u>7,252</u>	<u>7,016</u>	<u>5,340</u>	<u>4,700</u>	<u>6.30%</u>	<u>-17.26%</u>
11.	Total Expenses, Depr. & Taxes	<u>59,961</u>	<u>53,940</u>	<u>60,446</u>	<u>53,288</u>	<u>47,668</u>	<u>5.90%</u>	<u>11.16%</u>
12.	Operating Income	<u>\$6,992</u>	<u>\$7,686</u>	<u>\$7,045</u>	<u>\$4,954</u>	<u>\$3,770</u>	<u>16.70%</u>	<u>-9.03%</u>
13.	Net Plant Investment	<u>\$105,041</u>	<u>\$77,116</u>	<u>\$68,555</u>	<u>\$64,451</u>	<u>\$52,632</u>	<u>18.86%</u>	<u>36.21%</u>
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14.	Oper. Exp. as a % of Total Revenue	73.13%	68.41%	73.25%	74.44%	75.39%	-0.76%	6.90%
15.	Net Plt. Investment per \$ of Revenue	\$1.57	\$1.25	\$1.02	\$1.11	\$1.02	11.38%	25.60%
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16.	Number of Customers Served:							
17.	Residential	48	47	46	45	44	2.20%	2.13%
18.	Commercial	6	6	6	6	6	0.00%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	0	0	0	0	0	N/A	N/A
21.	Total Number of Customers	<u>54</u>	<u>53</u>	<u>52</u>	<u>51</u>	<u>50</u>	<u>1.94%</u>	<u>1.89%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	475	430	454	416	399	4.46%	10.47%
24.	Commercial	310	288	274	252	242	6.39%	7.64%
25.	Industrial	111	108	116	118	113	-0.45%	2.78%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	<u>898</u>	<u>828</u>	<u>846</u>	<u>788</u>	<u>756</u>	<u>4.40%</u>	<u>8.45%</u>
<hr/>								
28.	Estimated Overall Rate of Return	7.05%	10.17%	<u>10.87%</u>	<u>8.71%</u>	<u>7.98%</u>	-3.05%	-30.68%
29.	Estimated Return on Common Equity	6.48%	11.55%	<u>12.93%</u>	<u>8.77%</u>	<u>7.53%</u>	-2.96%	-43.90%
30.	Common Equity Ratio	62.91%	60.80%	<u>57.95%</u>	<u>68.99%</u>	<u>72.44%</u>	-3.46%	3.47%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.98	4.68	<u>4.64</u>	<u>3.71</u>	<u>4.50</u>	-9.79%	-36.32%
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32.	LAST RATE CASE	Authorized Return on Common Equity: 12.10%		Equity Ratio: 56.11%		Date of Order: 6-18-93		

Notes: [1] North Carolina retail jurisdictional revenue equates to 95% of total company electric utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC ES-1 Reports except for data in Italics [Lines 28 - 31, Columns (d) - (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 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$206,877	\$190,061	\$190,505	\$177,021	\$168,504	5.26%	8.85%
2.	Operating Expenses:							
3.	Fuel	27,402	24,003	26,422	27,664	24,526	2.81%	14.16%
4.	Purchased Power	49,089	44,736	40,061	36,587	25,114	18.24%	9.73%
5.	Maintenance	13,062	12,937	13,079	13,605	14,850	-3.16%	0.97%
6.	Other Operating Expenses	<u>30,627</u>	<u>28,430</u>	<u>25,498</u>	<u>24,809</u>	<u>25,146</u>	<u>5.05%</u>	<u>7.73%</u>
7.	Total Operating Expenses	120,180	110,106	105,060	102,665	89,636	7.61%	9.15%
8.	Depreciation & Amortization	23,890	22,273	22,147	22,430	22,137	1.92%	7.26%
9.	Total Expenses & Depreciation	144,070	132,379	127,207	125,095	111,773	6.55%	8.83%
10.	Total Operating Taxes	26,718	24,546	27,421	22,870	22,872	3.96%	8.85%
11.	Total Expenses, Depr. & Taxes	<u>170,788</u>	<u>156,925</u>	<u>154,628</u>	<u>147,965</u>	<u>134,645</u>	<u>6.12%</u>	<u>8.83%</u>
12.	Operating Income	<u>\$36,089</u>	<u>\$33,136</u>	<u>\$35,877</u>	<u>\$29,056</u>	<u>\$33,859</u>	<u>1.61%</u>	<u>8.91%</u>
13.	Net Plant Investment	<u>\$439,648</u>	<u>\$404,639</u>	<u>\$397,538</u>	<u>\$393,523</u>	<u>\$379,505</u>	<u>3.75%</u>	<u>8.65%</u>
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14.	Oper. Exp. as a % of Total Revenue	58.09%	57.93%	55.15%	58.00%	53.20%	2.22%	0.28%
15.	Net Plt. Investment per \$ of Revenue	\$2.13	\$2.13	\$2.09	\$2.22	\$2.25	-1.36%	0.00%
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16.	Number of Customers Served:							
17.	Residential	86	84	82	81	80	1.82%	2.38%
18.	Commercial	13	13	13	12	12	2.02%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	2	2	2	2	2	0.00%	0.00%
21.	Total Number of Customers	<u>101</u>	<u>99</u>	<u>97</u>	<u>95</u>	<u>94</u>	<u>1.81%</u>	<u>2.02%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,128	1,004	1,029	963	944	4.55%	12.35%
24.	Commercial	637	596	591	575	559	3.32%	6.88%
25.	Industrial	1,186	1,157	1,023	1,032	981	4.86%	2.51%
26.	Other	120	110	111	102	98	5.19%	9.09%
27.	Total Sales	<u>3,071</u>	<u>2,867</u>	<u>2,754</u>	<u>2,672</u>	<u>2,582</u>	<u>4.43%</u>	<u>7.12%</u>
<hr/>								
28.	Estimated Overall Rate of Return	8.84%	8.74%	<i>9.51%</i>	<i>8.03%</i>	<i>9.39%</i>	-1.50%	1.14%
29.	Estimated Return on Common Equity	10.58%	10.65%	<i>12.31%</i>	<i>8.94%</i>	<i>11.11%</i>	-1.21%	-0.66%
30.	Common Equity Ratio	45.36%	45.18%	<i>44.49%</i>	<i>44.12%</i>	<i>43.06%</i>	1.31%	0.40%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.44	3.40	<i>3.02</i>	<i>3.36</i>	<i>3.12</i>	2.47%	1.18%
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32.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 11.80%		Equity Ratio: 44.82%		Date of Order: 2-26-93		

Notes: [1] North Carolina retail jurisdictional revenue equates to 5% of total company electric utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC ES-1 Reports except for data in Italics [Lines 28 - 31, Columns (d) - (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 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$5,929	\$5,384	\$5,437	\$4,910	\$4,327	8.19%	10.12%
3.	Commercial	2,932	2,979	2,952	2,779	2,372	5.44%	-1.58%
4.	Industrial	5,355	7,072	6,542	6,941	4,705	3.29%	-24.28%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	0	0	0	0	0	N/A	N/A
7.	Other	1,349	510	201	748	901	10.62%	164.51%
8.	Total Operating Revenue	15,565	15,945	15,132	15,378	12,305	6.05%	-2.38%
9.	Cost of Gas	8,811	9,692	9,785	10,362	7,862	2.89%	-9.09%
10.	Margin	6,754	6,253	5,347	5,016	4,443	11.04%	8.01%
11.	O & M Expenses	3,626	4,015	3,366	2,960	2,864	6.08%	-9.69%
12.	Other Deductions	1,431	1,502	1,797	1,212	1,053	7.97%	-4.73%
13.	Operating Income	\$1,697	\$736	\$184	\$844	\$526	34.02%	130.57%
14.	Net Plant Investment	\$10,891	\$11,669	\$10,377	\$9,686	\$9,184	4.35%	-6.67%
15.	Oper. Exp. as a % of Total Revenue	79.90%	85.96%	86.91%	86.63%	87.17%	-2.15%	-7.05%
16.	Net Plt. Investment per \$ of Revenue	\$0.70	\$0.73	\$0.69	\$0.63	\$0.75	-1.71%	-4.11%
17.	Gas Delivered in DTs:							
18.	Residential	1	1	1	1	1	0.00%	0.00%
19.	Commercial	1	1	1	1	0	N/A	0.00%
20.	Industrial	2	2	2	2	2	0.00%	0.00%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22.	Resale	0	0	0	0	0	N/A	N/A
23.	Other	1	1	0	0	0	N/A	0.00%
24.	Total DTs	5	5	4	4	3	13.62%	0.00%
25.	Number of Customers:							
26.	Residential	11	11	10	10	10	2.41%	0.00%
27.	Commercial	2	2	2	2	2	0.00%	0.00%
28.	Industrial	0	0	0	0	0	N/A	N/A
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	3	0	2	3	N/A	-100.00%
32.	Total Number of Customers	13	16	12	14	15	1.63%	-18.75%
33.	Estimated Overall Rate of Return	11.37%	8.44%	1.70%	8.35%	3.63%	33.03%	34.72%
34.	Estimated Return on Common Equity	13.00%	9.49%	-5.23%	5.90%	7.09%	16.37%	36.99%
35.	Common Equity Ratio	44.22%	53.14%	53.21%	54.18%	55.80%	-5.65%	-16.79%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.77	3.29	1.59	4.23	1.74	12.33%	-15.81%
37.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 11.40%    Equity Ratio: 47.57%    Date of Order: 9-20-95						

Notes: [1] North Carolina retail jurisdictional revenue equates to 4% of total company gas utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: Shareholders' reports and the NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Columns (d) - (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 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 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)	
1.	Operating Revenue:								
2.	Residential	\$40,063	\$31,987	\$37,346	\$32,307	\$22,633	15.35%	25.25%	
3.	Commercial	24,775	21,154	24,277	20,480	16,125	11.33%	17.12%	
4.	Industrial	65,481	60,479	75,128	82,559	53,631	5.12%	8.27%	
5.	Public Authorities	1,941	1,665	2,232	2,210	2,774	-8.54%	16.58%	
6.	Resale	25,783	16,484	23,595	21,243	14,729	15.02%	56.41%	
7.	Other	<u>21,045</u>	<u>10,799</u>	<u>9,952</u>	<u>12,658</u>	<u>21,595</u>	<u>-0.64%</u>	<u>94.88%</u>	
8.	Total Operating Revenue	<u>179,088</u>	<u>142,568</u>	<u>172,530</u>	<u>171,457</u>	<u>131,487</u>	<u>8.03%</u>	<u>25.62%</u>	
9.	Cost of Gas	<u>114,604</u>	<u>87,420</u>	<u>116,338</u>	<u>118,112</u>	<u>84,333</u>	<u>7.97%</u>	<u>31.10%</u>	
10.	Margin	64,484	55,148	56,192	53,345	47,154	8.14%	16.93%	
11.	O & M Expenses	21,343	20,027	18,958	18,015	17,014	5.83%	6.57%	
12.	Other Deductions	<u>24,965</u>	<u>20,700</u>	<u>21,519</u>	<u>20,343</u>	<u>16,557</u>	<u>10.81%</u>	<u>20.60%</u>	
13.	Operating Income	<u>\$18,176</u>	<u>\$14,421</u>	<u>\$15,715</u>	<u>\$14,987</u>	<u>\$13,583</u>	<u>7.55%</u>	<u>26.04%</u>	
14.	Net Plant Investment	<u>\$179,051</u>	<u>\$166,155</u>	<u>\$153,824</u>	<u>\$146,246</u>	<u>\$128,625</u>	<u>8.62%</u>	<u>7.76%</u>	
15.	Oper. Exp. as a % of Total Revenue	75.91%	75.37%	78.42%	79.39%	77.08%	-0.38%	0.72%	
16.	Net Plt. Investment per \$ of Revenue	\$1.00	\$1.17	\$0.89	\$0.85	\$0.98	0.51%	-14.53%	
17.	Gas Delivered in DTs:								
18.	Residential	6	5	6	5	4	10.67%	20.00%	
19.	Commercial	5	4	5	4	4	5.74%	25.00%	
20.	Industrial	19	18	20	24	19	0.00%	5.56%	
21.	Public Authorities	1	1	0	1	1	0.00%	0.00%	
22.	Resale	7	4	6	6	5	8.78%	75.00%	
23.	Other	<u>15</u>	<u>15</u>	<u>12</u>	<u>7</u>	<u>11</u>	<u>8.06%</u>	<u>0.00%</u>	
24.	Total DTs	<u>53</u>	<u>47</u>	<u>49</u>	<u>47</u>	<u>44</u>	<u>4.76%</u>	<u>12.77%</u>	
25.	Number of Customers:								
26.	Residential	90	86	81	76	71	6.11%	4.65%	
27.	Commercial	12	12	11	11	11	2.20%	0.00%	
28.	Industrial	1	1	1	1	1	0.00%	0.00%	
29.	Public Authorities	5	5	5	6	6	-4.46%	0.00%	
30.	Resale	41	39	37	33	31	7.24%	5.13%	
31.	Other	0	0	0	0	0	N/A	N/A	
32.	Total Number of Customers	<u>149</u>	<u>143</u>	<u>135</u>	<u>127</u>	<u>120</u>	<u>5.56%</u>	<u>4.20%</u>	
33.	Estimated Overall Rate of Return	10.54%	9.33%	<u>9.85%</u>	<u>9.96%</u>	<u>10.29%</u>	0.60%	12.97%	
34.	Estimated Return on Common Equity	11.94%	11.16%	<u>14.10%</u>	<u>15.49%</u>	<u>16.18%</u>	-7.32%	6.99%	
35.	Common Equity Ratio	60.57%	58.84%	<u>69.60%</u>	<u>64.68%</u>	<u>54.70%</u>	2.58%	2.94%	
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.62	4.22	<u>5.06</u>	<u>4.23</u>	<u>3.39</u>	8.05%	9.48%	
37.	LAST RATE CASE	Authorized Return on Common Equity: N/A    Equity Ratio: N/A    Date of Order 10-27-95							

Notes: [1] Rates are set on a total company basis.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Columns (d) - (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 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)	
1.	Operating Revenue:								
2.	Residential	\$158,775	\$132,380	\$143,395	\$127,989	\$97,693	12.91%	19.94%	
3.	Commercial	86,695	75,246	90,334	79,702	60,987	9.19%	15.22%	
4.	Industrial	77,562	55,843	101,605	84,721	65,203	4.43%	38.89%	
5.	Public Authorities	2,737	2,587	3,063	3,051	2,688	0.45%	5.80%	
6.	Resale	2,149	3,110	4	0	0	N/A	-30.90%	
7.	Other	<u>16,268</u>	<u>27,072</u>	<u>6,729</u>	<u>8,416</u>	<u>10,107</u>	<u>12.64%</u>	<u>-39.91%</u>	
8.	Total Operating Revenue	<u>344,186</u>	<u>296,238</u>	<u>345,130</u>	<u>303,879</u>	<u>236,678</u>	<u>9.81%</u>	<u>16.19%</u>	
9.	Cost of Gas	186,495	151,664	212,274	180,525	128,541	9.75%	22.97%	
10.	Margin	157,691	144,574	132,856	123,354	108,137	9.89%	9.07%	
11.	O & M Expenses	65,987	63,613	59,908	54,313	50,197	7.08%	3.73%	
12.	Other Deductions	51,750	43,954	40,791	37,567	30,535	14.10%	17.74%	
13.	Operating Income	<u>\$39,954</u>	<u>\$37,007</u>	<u>\$32,157</u>	<u>\$31,474</u>	<u>\$27,405</u>	<u>9.88%</u>	<u>7.96%</u>	
14.	Net Plant Investment	<u>\$426,475</u>	<u>\$403,566</u>	<u>\$352,391</u>	<u>\$320,768</u>	<u>\$292,297</u>	<u>9.90%</u>	<u>5.68%</u>	
15.	Oper. Exp. as a % of Total Revenue	73.36%	72.67%	78.86%	77.28%	75.52%	-0.72%	0.95%	
16.	Net Plt. Investment per \$ of Revenue	\$1.24	\$1.36	\$1.02	\$1.06	\$1.23	0.20%	-8.82%	
17.	Gas Delivered in DTs:								
18.	Residential	24	20	22	20	16	10.67%	20.00%	
19.	Commercial	16	13	16	15	13	5.33%	23.08%	
20.	Industrial	20	15	26	23	21	-1.21%	33.33%	
21.	Public Authorities	1	1	1	1	1	0.00%	0.00%	
22.	Resale	1	1	0	0	0	N/A	0.00%	
23.	Other	17	21	6	10	10	14.19%	-19.05%	
24.	Total DTs	79	71	71	69	61	6.68%	11.27%	
25.	Number of Customers:								
26.	Residential	281	272	256	241	226	5.60%	3.31%	
27.	Commercial	35	34	33	32	31	3.08%	2.94%	
28.	Industrial	2	2	1	1	1	18.92%	0.00%	
29.	Public Authorities	6	6	6	7	7	-3.78%	0.00%	
30.	Resale	0	0	0	0	0	N/A	N/A	
31.	Other	0	1	0	0	0	N/A	-100.00%	
32.	Total Number of Customers	<u>324</u>	<u>315</u>	<u>296</u>	<u>281</u>	<u>265</u>	<u>5.15%</u>	<u>2.86%</u>	
33.	Estimated Overall Rate of Return	10.03%	10.09%	<i>8.88%</i>	<i>9.81%</i>	<i>9.15%</i>	2.32%	-0.59%	
34.	Estimated Return on Common Equity	11.70%	12.25%	<i>12.12%</i>	<i>5.90%</i>	<i>12.21%</i>	-1.06%	-4.49%	
35.	Common Equity Ratio	52.27%	48.96%	<i>53.83%</i>	<i>58.71%</i>	<i>55.89%</i>	-1.66%	6.76%	
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.51	3.38	<i>3.48</i>	<i>3.72</i>	<i>3.05</i>	3.57%	3.85%	
37.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: N/A    Equity Ratio: N/A    Date of Order 2-10-95							

Notes: [1] North Carolina retail jurisdictional revenue equates to 59% of total company gas utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: Shareholders' reports and the NCUC GS-1 Reports except for data in italics [Lines 33 - 36, Columns (d) - (f)] which is from past Commission Surveillance Reports.  
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$153,822	\$134,795	\$137,559	\$124,845	\$102,334	10.73%	14.12%
3.	Commercial	74,167	67,166	71,602	63,561	51,086	9.77%	10.42%
4.	Industrial	35,529	23,310	41,120	62,724	47,860	-7.18%	52.42%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	3,679	12,158	16,355	12,876	13,938	-28.32%	-69.74%
7.	Other	<u>18,147</u>	<u>21,125</u>	<u>13,786</u>	<u>5,703</u>	<u>7,919</u>	<u>23.04%</u>	<u>-14.10%</u>
8.	Total Operating Revenue	<u>285,344</u>	<u>258,554</u>	<u>280,422</u>	<u>269,709</u>	<u>223,137</u>	<u>6.34%</u>	<u>10.36%</u>
9.	Cost of Gas	<u>147,050</u>	<u>130,538</u>	<u>164,437</u>	<u>157,078</u>	<u>117,570</u>	<u>5.75%</u>	<u>12.65%</u>
10.	Margin	138,294	128,016	115,985	112,631	105,567	6.98%	8.03%
11.	O & M Expenses	53,584	49,980	48,514	46,353	39,928	7.63%	7.21%
12.	Other Deductions	<u>48,786</u>	<u>44,556</u>	<u>38,099</u>	<u>36,477</u>	<u>34,897</u>	<u>8.74%</u>	<u>9.49%</u>
13.	Operating Income	<u>\$35,924</u>	<u>\$33,480</u>	<u>\$29,372</u>	<u>\$29,801</u>	<u>\$30,742</u>	<u>3.97%</u>	<u>7.30%</u>
14.	Net Plant Investment	<u>\$393,557</u>	<u>\$360,824</u>	<u>\$339,153</u>	<u>\$315,305</u>	<u>\$297,527</u>	<u>7.24%</u>	<u>9.07%</u>
15.	Oper. Exp. as a % of Total Revenue	70.31%	69.82%	75.94%	75.43%	70.58%	-0.10%	0.70%
16.	Net Plt. Investment per \$ Revenue	\$1.38	\$1.40	\$1.21	\$1.17	\$1.33	0.93%	-1.43%
17.	Gas Delivered in DTs:							
18.	Residential	21	18	19	18	15	8.78%	16.67%
19.	Commercial	14	12	13	12	10	8.78%	16.67%
20.	Industrial	9	6	10	17	15	-11.99%	50.00%
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>19</u>	<u>4</u>	<u>17</u>	<u>10</u>	<u>14</u>	<u>7.93%</u>	<u>375.00%</u>
24.	Total DTs	<u>63</u>	<u>40</u>	<u>59</u>	<u>57</u>	<u>54</u>	<u>3.93%</u>	<u>57.50%</u>
25.	Number of Customers:							
26.	Residential	259	252	240	230	219	4.28%	2.78%
27.	Commercial	37	30	28	27	26	9.22%	23.33%
28.	Industrial	0	0	0	0	0	N/A	N/A
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>N/A</u>
32.	Total Number of Customers	<u>296</u>	<u>282</u>	<u>268</u>	<u>257</u>	<u>245</u>	<u>4.84%</u>	<u>4.96%</u>
33.	Estimated Overall Rate of Return	11.26%	11.23%	<u>8.36%</u>	<u>9.61%</u>	<u>10.00%</u>	3.01%	0.27%
34.	Estimated Return on Common Equity	13.46%	13.10%	<u>12.20%</u>	<u>12.33%</u>	<u>14.56%</u>	-1.94%	2.75%
35.	Common Equity Ratio	53.57%	53.89%	<u>52.54%</u>	<u>49.34%</u>	<u>53.35%</u>	0.10%	-0.59%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.90	3.78	<u>2.84</u>	<u>2.83</u>	<u>3.02</u>	6.60%	3.17%
37.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 11.87%		Equity Ratio: 50.00%		Date of Order: 1-26-95		

Notes: [1] Rates are set on a total company basis.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports except for data in Italics [Lines 33 - 36, Columns (d) - (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 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$43,472	\$37,216	\$33,520	\$32,659	\$30,946	8.87%	16.81%
3.	Network Access	21,108	17,078	14,362	11,121	8,973	23.84%	23.60%
4.	Long Distance Message	15,374	12,476	9,858	8,865	10,161	10.91%	23.23%
5.	Miscellaneous	5,085	3,874	3,113	2,960	2,549	18.84%	31.26%
6.	Uncollectibles	(1,487)	(1,261)	(338)	(319)	(232)	59.11%	17.92%
7.	Total Operating Revenue	83,552	69,383	60,515	55,286	52,397	12.37%	20.42%
8.	Operating Expenses	36,498	31,591	25,356	23,281	22,268	13.15%	15.53%
9.	Depreciation & Amortization	16,619	11,883	11,377	11,063	11,972	8.54%	39.86%
10.	Total Operating Taxes	12,125	10,080	9,289	8,267	6,395	17.34%	20.29%
11.	Total Expenses, Depr. & Taxes	65,242	53,554	46,022	42,611	40,635	12.57%	21.82%
12.	Other Operating (Income) & Expense	(174)	89	0	0	0	N/A	-295.51%
13.	Operating Income	\$18,484	\$15,740	\$14,493	\$12,675	\$11,762	11.96%	17.43%
14.	Net Plant Investment	\$132,267	\$132,597	\$103,834	\$103,205	\$98,340	7.69%	-0.25%
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15.	Oper. Exp. as a % of Total Revenue	43.68%	45.53%	41.90%	42.11%	42.50%	0.69%	-4.06%
16.	Net Plt. Investment per \$ of Revenue	\$1.58	\$1.91	\$1.72	\$1.87	\$1.88	-4.25%	-17.28%
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17.	Local Access Lines:							
18.	Residential	132	127	95	89	86	11.31%	3.94%
19.	Business	37	33	22	20	18	19.74%	12.12%
20.	Total Local Access Lines	169	160	117	109	104	12.91%	5.62%
21.	Total Access Lines:							
22.	Residential	132	127	95	89	86	11.31%	3.94%
23.	Business	37	34	22	20	18	19.74%	8.82%
24.	Total Access Lines	169	161	117	109	104	12.91%	4.97%
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25.	Estimated Overall Rate of Return	15.31%	14.80%	15.09%	13.74%	12.92%	4.33%	3.45%
26.	Estimated Return on Common Equity	19.83%	19.55%	18.28%	16.58%	21.53%	-2.04%	1.43%
27.	Common Equity Ratio	62.13%	60.48%	66.43%	63.85%	62.20%	-0.03%	2.73%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.67	8.09	9.03	7.74	5.68	7.80%	-5.19%
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29.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 13.20%		Equity Ratio: 42.11%		Date of Order: 11-25-86		

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 80% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 25 - 28, Columns (d) - (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	
		March 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Growth Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$715,188	\$647,871	\$609,059	\$567,037	\$526,735	7.95%	10.39%
3.	Network Access	163,968	164,231	154,530	137,529	139,614	4.10%	-0.16%
4.	Long Distance Message	98,503	123,505	136,505	139,309	144,163	-9.08%	-20.24%
5.	Miscellaneous	100,504	87,112	83,334	81,588	81,444	5.40%	15.37%
6.	Uncollectibles	(5,940)	(6,694)	(6,935)	(7,868)	(8,589)	-8.81%	-11.26%
7.	Total Operating Revenue	<u>1,072,223</u>	<u>1,016,025</u>	<u>976,493</u>	<u>917,595</u>	<u>883,367</u>	4.96%	5.53%
8.	Operating Expenses	496,841	473,703	447,836	434,891	424,926	3.99%	4.88%
9.	Depreciation & Amortization	210,971	241,527	220,501	211,710	190,397	2.60%	-12.65%
10.	Total Operating Taxes	<u>150,306</u>	<u>119,517</u>	<u>121,056</u>	<u>101,058</u>	<u>95,959</u>	11.87%	25.76%
11.	Total Expenses, Depr. & Taxes	<u>858,118</u>	<u>834,747</u>	<u>789,393</u>	<u>747,659</u>	<u>711,282</u>	4.80%	2.80%
12.	Other Operating (Income) & Expense	38	(327)	4	(33)	46	-4.66%	-111.62%
13.	Operating Income	<u>\$214,067</u>	<u>\$181,605</u>	<u>\$187,096</u>	<u>\$169,969</u>	<u>\$172,039</u>	5.62%	17.88%
14.	Net Plant Investment	<u>\$1,850,227</u>	<u>\$1,778,366</u>	<u>\$1,723,062</u>	<u>\$1,707,991</u>	<u>\$1,700,156</u>	2.14%	4.04%
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15.	Oper. Exp. as a % of Total Revenue	46.34%	46.62%	45.86%	47.39%	48.10%	-0.93%	-0.60%
16.	Net Plt. Investment per \$ of Revenue	\$1.73	\$1.75	\$1.76	\$1.86	\$1.92	-2.57%	-1.14%
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17.	Local Access Lines:							
18.	Residential	2,340	1,361	1,310	1,271	1,233	17.37%	71.93%
19.	Business	865	504	460	432	418	19.94%	71.63%
20.	Total Local Access Lines	<u>3,205</u>	<u>1,865</u>	<u>1,770</u>	<u>1,703</u>	<u>1,651</u>	18.04%	71.85%
21.	Total Access Lines:							
22.	Residential	2,340	1,361	1,310	1,271	1,233	17.37%	71.93%
23.	Business	875	513	471	447	440	18.75%	70.57%
24.	Total Access Lines	<u>3,215</u>	<u>1,874</u>	<u>1,781</u>	<u>1,718</u>	<u>1,673</u>	17.74%	71.56%
<hr/>								
25.	Estimated Overall Rate of Return	13.73%	12.20%	<b>12.84%</b>	<b>11.87%</b>	<b>10.47%</b>	7.01%	12.54%
26.	Estimated Return on Common Equity	18.61%	15.77%	<b>15.90%</b>	<b>13.91%</b>	<b>14.53%</b>	6.38%	18.01%
27.	Common Equity Ratio	58.30%	59.50%	<b>63.55%</b>	<b>64.40%</b>	<b>64.38%</b>	-2.45%	-2.02%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	10.24	6.33	<b>6.63</b>	<b>5.67</b>	<b>5.76</b>	15.47%	61.77%
<hr/>								
29.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 15.00% Equity Ratio: 54.80%					Date of Order: 11-9-84	

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 75% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 25 - 28, Columns (d) - (f)] which is from past Commission Surveillance Reports.

**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	
		March 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Growth Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$270,108	\$239,029	\$222,679	\$205,459	\$190,692	9.09%	13.00%
3.	Network Access	88,163	83,937	76,143	65,275	63,453	8.57%	5.03%
4.	Long Distance Message	62,388	74,968	68,621	67,032	65,657	-1.27%	-16.78%
5.	Miscellaneous	47,623	44,155	38,538	38,978	34,055	8.74%	7.85%
6.	Uncollectibles	(3,786)	(2,650)	(2,218)	(1,759)	(2,079)	16.17%	42.87%
7.	Total Operating Revenue	<u>464,496</u>	<u>439,439</u>	<u>403,763</u>	<u>374,985</u>	<u>351,778</u>	<u>7.20%</u>	<u>5.70%</u>
8.	Operating Expenses	234,378	216,388	242,315	195,321	183,272	6.34%	8.31%
9.	Depreciation & Amortization	96,590	98,915	83,988	81,347	67,828	9.24%	-2.35%
10.	Total Operating Taxes	54,939	50,029	30,736	37,028	38,762	9.11%	9.81%
11.	Total Expenses, Depr. & Taxes	<u>385,907</u>	<u>365,332</u>	<u>357,039</u>	<u>313,696</u>	<u>289,862</u>	<u>7.42%</u>	<u>5.63%</u>
12.	Operating Income	<u>\$78,589</u>	<u>\$74,107</u>	<u>\$46,724</u>	<u>\$61,289</u>	<u>\$61,916</u>	<u>6.14%</u>	<u>6.05%</u>
13.	Net Plant Investment	<u>\$685,779</u>	<u>\$677,851</u>	<u>\$672,662</u>	<u>\$635,165</u>	<u>\$599,384</u>	<u>3.42%</u>	<u>1.17%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	50.46%	49.24%	60.01%	52.09%	52.10%	-0.80%	2.47%
15.	Net Plt. Investment per \$ of Revenue	\$1.48	\$1.54	\$1.67	\$1.69	\$1.70	-3.52%	-4.29%
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16.	Local Access Lines:							
17.	Residential	774	744	718	688	663	3.95%	4.03%
18.	Business	215	196	200	184	172	5.74%	9.69%
19.	Total Local Access Lines	<u>989</u>	<u>940</u>	<u>918</u>	<u>872</u>	<u>835</u>	<u>4.32%</u>	<u>5.21%</u>
20.	Total Access Lines:							
21.	Residential	774	744	718	688	663	3.95%	4.03%
22.	Business	217	199	203	189	177	5.23%	9.05%
23.	Total Access Lines	<u>991</u>	<u>943</u>	<u>921</u>	<u>877</u>	<u>840</u>	<u>4.22%</u>	<u>5.09%</u>
<hr/>								
24.	Estimated Overall Rate of Return	13.59%	12.87%	<b>8.23%</b>	<b>11.31%</b>	<b>10.93%</b>	5.60%	5.59%
25.	Estimated Return on Common Equity	17.04%	16.20%	<b>8.81%</b>	<b>13.09%</b>	<b>14.94%</b>	3.34%	5.19%
26.	Common Equity Ratio	62.94%	62.21%	<b>64.17%</b>	<b>65.67%</b>	<b>66.14%</b>	-1.23%	1.17%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.14	6.82	<b>4.56</b>	<b>6.03</b>	<b>6.46</b>	2.53%	4.69%
<hr/>								
28.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 15.25% Equity Ratio: 48.40%					Date of Order: 3-30-83	

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 75% of total North Carolina revenue, i.e., intrastate and interstate revenue.

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

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

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$63,626	\$55,871	\$52,555	\$49,082	\$45,658	8.65%	13.88%
3.	Network Access	20,059	18,907	27,130	24,012	10,891	16.50%	6.09%
4.	Long Distance Message	18,431	24,297	4,958	4,503	18,982	-0.73%	-24.14%
5.	Miscellaneous	11,352	6,991	7,159	7,112	7,043	12.68%	62.38%
6.	Uncollectibles	(710)	(439)	(749)	(590)	(565)	5.88%	61.73%
7.	Total Operating Revenue	<u>112,758</u>	<u>105,627</u>	<u>91,053</u>	<u>84,119</u>	<u>82,009</u>	<u>8.29%</u>	<u>6.75%</u>
8.	Operating Expenses	68,114	69,391	69,679	52,898	47,975	9.16%	-1.84%
9.	Depreciation & Amortization	14,292	13,063	12,849	11,654	12,921	2.55%	9.41%
10.	Total Operating Taxes	<u>11,937</u>	<u>9,267</u>	<u>4,763</u>	<u>7,844</u>	<u>8,336</u>	<u>9.39%</u>	<u>28.81%</u>
11.	Total Expenses, Depr. & Taxes	<u>94,343</u>	<u>91,721</u>	<u>87,291</u>	<u>72,396</u>	<u>69,232</u>	<u>8.04%</u>	<u>2.86%</u>
12.	Operating Income	<u>\$18,415</u>	<u>\$13,906</u>	<u>\$3,762</u>	<u>\$11,723</u>	<u>\$12,777</u>	<u>9.57%</u>	<u>32.42%</u>
13.	Net Plant Investment	<u>\$191,504</u>	<u>\$180,844</u>	<u>\$167,518</u>	<u>\$163,033</u>	<u>\$158,134</u>	<u>4.90%</u>	<u>5.89%</u>
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14.	Oper. Exp. as a % of Total Revenue	60.41%	65.69%	76.53%	62.88%	58.50%	0.81%	-8.05%
15.	Net Plt. Investment per \$ of Revenue	\$1.70	\$1.71	\$1.84	\$1.94	\$1.93	-3.12%	-0.80%
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16.	Local Access Lines:							
17.	Residential	181	175	171	166	162	2.81%	3.43%
18.	Business	53	49	50	48	45	4.18%	8.16%
19.	Total Local Access Lines	<u>234</u>	<u>224</u>	<u>221</u>	<u>214</u>	<u>207</u>	<u>3.11%</u>	<u>4.46%</u>
20.	Total Access Lines:							
21.	Residential	181	175	171	166	162	2.81%	3.43%
22.	Business	54	49	53	50	47	3.53%	10.20%
23.	Total Access Lines	<u>235</u>	<u>224</u>	<u>224</u>	<u>216</u>	<u>209</u>	<u>2.97%</u>	<u>4.91%</u>
<hr/>								
24.	Estimated Overall Rate of Return	12.98%	10.30%	<b>2.68%</b>	<b>9.51%</b>	<b>9.33%</b>	8.60%	26.02%
25.	Estimated Return on Common Equity	14.30%	11.39%	<b>0.04%</b>	<b>10.34%</b>	<b>12.33%</b>	3.78%	25.55%
26.	Common Equity Ratio	67.41%	66.74%	<b>73.97%</b>	<b>66.11%</b>	<b>65.53%</b>	0.71%	1.00%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.72	6.22	<b>3.81</b>	<b>6.55</b>	<b>6.68</b>	-3.80%	-8.04%
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28.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 15.50%    Equity Ratio: 48.30%    Date of Order: 6-22-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 79% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Columns (d) - (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$3,406	\$3,289	\$3,212	\$3,123	\$3,005	3.18%	3.56%
3.	Network Access	2,752	2,401	2,444	2,125	1,609	14.36%	14.62%
4.	Long Distance Message	1,878	1,859	1,765	1,764	1,758	1.66%	1.02%
5.	Miscellaneous	802	810	797	692	610	7.08%	-0.99%
6.	Uncollectibles	(10)	(6)	(11)	(16)	(10)	0.00%	66.67%
7.	Total Operating Revenue	<u>8,828</u>	<u>8,353</u>	<u>8,207</u>	<u>7,688</u>	<u>6,972</u>	<u>6.08%</u>	<u>5.69%</u>
8.	Operating Expenses	3,737	3,526	3,369	3,332	3,585	1.04%	5.98%
9.	Depreciation & Amortization	2,003	2,208	1,479	1,522	1,274	11.98%	-9.28%
10.	Total Operating Taxes	<u>968</u>	<u>750</u>	<u>967</u>	<u>936</u>	<u>675</u>	<u>9.43%</u>	<u>29.07%</u>
11.	Total Expenses, Depr. & Taxes	<u>6,708</u>	<u>6,484</u>	<u>5,815</u>	<u>5,790</u>	<u>5,534</u>	<u>4.93%</u>	<u>3.45%</u>
12.	Operating Income	<u>\$2,120</u>	<u>\$1,869</u>	<u>\$2,392</u>	<u>\$1,898</u>	<u>\$1,438</u>	<u>10.19%</u>	<u>13.43%</u>
13.	Net Plant Investment	<u>\$16,854</u>	<u>\$17,319</u>	<u>\$17,886</u>	<u>\$17,707</u>	<u>\$18,354</u>	<u>-2.11%</u>	<u>-2.68%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	42.33%	42.21%	41.05%	43.34%	51.42%	-4.75%	0.28%
15.	Net Plt. Investment per \$ of Revenue	\$1.91	\$2.07	\$2.18	\$2.30	\$2.63	-7.69%	-7.73%
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16.	Local Access Lines:							
17.	Residential	14	13	13	12	12	3.93%	7.69%
18.	Business	3	3	2	2	2	10.67%	0.00%
19.	Total Local Access Lines	<u>17</u>	<u>16</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>4.97%</u>	<u>6.25%</u>
20.	Total Access Lines:							
21.	Residential	14	13	13	12	12	3.93%	7.69%
22.	Business	3	3	2	2	2	10.67%	0.00%
23.	Total Access Lines	<u>17</u>	<u>16</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>4.97%</u>	<u>6.25%</u>
<hr/>								
24.	Estimated Overall Rate of Return	12.73%	10.29%	<b>14.97%</b>	<b>11.73%</b>	<b>8.76%</b>	9.79%	23.71%
25.	Estimated Return on Common Equity	17.53%	13.02%	<b>22.57%</b>	<b>16.63%</b>	<b>9.07%</b>	17.91%	34.64%
26.	Common Equity Ratio	49.66%	46.64%	<b>48.45%</b>	<b>44.87%</b>	<b>42.54%</b>	3.94%	6.48%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.29	3.49	<b>3.18</b>	<b>3.10</b>	<b>2.51</b>	14.34%	22.92%
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28.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 12.70%    Equity Ratio: 44.95%    Date of Order: 2-26-91						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 71% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24-27, Columns (d) - (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	
		March 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Growth Four Year (g)	Rate Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$21,791	\$19,644	\$16,478	\$15,371	\$14,036	11.62%	10.93%
3.	Network Access	3,718	3,455	3,060	2,630	2,817	7.18%	7.61%
4.	Long Distance Message	5,821	5,782	6,543	6,108	6,404	-2.36%	0.67%
5.	Miscellaneous	4,962	4,560	4,426	4,422	4,170	4.44%	8.82%
6.	Uncollectibles	(179)	(55)	(314)	(479)	(171)	1.15%	225.45%
7.	Total Operating Revenue	<u>36,113</u>	<u>33,386</u>	<u>30,193</u>	<u>28,052</u>	<u>27,256</u>	<u>7.29%</u>	<u>8.17%</u>
8.	Operating Expenses	16,432	14,128	13,979	12,449	12,684	6.69%	16.31%
9.	Depreciation & Amortization	9,440	11,297	7,120	6,568	4,736	18.82%	-16.44%
10.	Total Operating Taxes	4,791	3,895	4,254	4,105	4,250	3.04%	23.00%
11.	Total Expenses, Depr. & Taxes	<u>30,663</u>	<u>29,320</u>	<u>25,353</u>	<u>23,122</u>	<u>21,670</u>	<u>9.07%</u>	<u>4.58%</u>
12.	Operating Income	<u>\$5,450</u>	<u>\$4,066</u>	<u>\$4,840</u>	<u>\$4,930</u>	<u>\$5,586</u>	<u>-0.61%</u>	<u>34.04%</u>
13.	Net Plant Investment	<u>\$44,659</u>	<u>\$41,618</u>	<u>\$44,803</u>	<u>\$46,443</u>	<u>\$46,902</u>	<u>-1.22%</u>	<u>7.31%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	45.50%	42.32%	46.30%	44.38%	46.54%	-0.56%	7.51%
15.	Net Plt. Investment per \$ of Revenue	\$1.24	\$1.25	\$1.48	\$1.66	\$1.72	-7.85%	-0.80%
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16.	Local Access Lines:							
17.	Residential	74	71	69	68	65	3.30%	4.23%
18.	Business	19	17	16	15	14	7.93%	11.76%
19.	Total Local Access Lines	<u>93</u>	<u>88</u>	<u>85</u>	<u>83</u>	<u>79</u>	<u>4.16%</u>	<u>5.68%</u>
20.	Total Access Lines:							
21.	Residential	74	71	69	68	65	3.30%	4.23%
22.	Business	19	17	16	15	14	7.93%	11.76%
23.	Total Access Lines	<u>93</u>	<u>88</u>	<u>85</u>	<u>83</u>	<u>79</u>	<u>4.16%</u>	<u>5.68%</u>
<hr/>								
24.	Estimated Overall Rate of Return	16.02%	12.64%	<b>14.31%</b>	<b>13.81%</b>	<b>12.18%</b>	7.09%	26.74%
25.	Estimated Return on Common Equity	17.57%	13.55%	<b>15.51%</b>	<b>14.89%</b>	<b>15.56%</b>	3.08%	29.67%
26.	Common Equity Ratio	86.01%	82.83%	<b>86.14%</b>	<b>86.73%</b>	<b>86.15%</b>	-0.04%	3.84%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	36.99	18.31	<b>25.26</b>	<b>23.66</b>	<b>20.23</b>	16.28%	102.02%
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28.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 15.50%    Equity Ratio: 58.59%    Date of Order: 6-17-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 78% 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 (d) - (f)] which is from past Commission Surveillance Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$95,849	\$88,705	\$87,348	\$82,463	\$76,743	5.72%	8.05%
3.	Network Access	42,618	38,871	55,139	47,051	30,682	8.56%	9.64%
4.	Long Distance Message	17,204	17,612	(302)	7,960	27,516	-11.08%	-2.32%
5.	Miscellaneous	13,523	14,062	15,669	19,691	17,248	-5.90%	-3.83%
6.	Uncollectibles	(2,844)	(2,580)	(145)	(2,905)	(1,273)	22.26%	10.23%
7.	Total Operating Revenue	166,350	156,670	157,709	154,260	150,916	2.46%	6.18%
8.	Operating Expenses	80,028	83,581	73,651	74,831	66,642	4.68%	-4.25%
9.	Depreciation & Amortization	37,187	34,726	29,148	30,264	28,528	6.85%	7.09%
10.	Total Operating Taxes	18,242	16,073	19,927	17,886	20,497	-2.87%	13.49%
11.	Total Expenses, Depr. & Taxes	135,457	134,380	122,726	122,981	115,667	4.03%	0.80%
12.	Other Operating (Income) & Expense	51	(364)	53	(23)	(105)	N/A	-114.01%
13.	Operating Income	\$30,842	\$22,654	\$34,930	\$31,302	\$35,354	-3.36%	36.14%
14.	Net Plant Investment	\$364,052	\$353,959	\$358,158	\$334,134	\$319,130	3.35%	2.85%
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15.	Oper. Exp. as a % of Total Revenue	48.11%	53.35%	46.70%	48.51%	44.16%	2.16%	-9.82%
16.	Net Plt. Investment per \$ of Revenue	\$2.19	\$2.26	\$2.27	\$2.17	\$2.11	0.86%	-3.13%
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17.	Local Access Lines:							
18.	Residential	203	195	189	183	176	3.63%	4.10%
19.	Business	101	90	83	79	74	8.09%	12.22%
20.	Total Local Access Lines	304	285	272	262	250	5.01%	6.67%
21.	Total Access Lines:							
22.	Residential	203	195	189	183	176	3.63%	4.10%
23.	Business	149	127	111	109	87	14.40%	17.32%
24.	Total Access Lines	352	322	300	292	263	7.56%	9.32%
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25.	Estimated Overall Rate of Return	10.93%	8.36%	N/A	N/A	N/A	N/A	30.74%
26.	Estimated Return on Common Equity	13.09%	8.75%	N/A	N/A	N/A	N/A	49.60%
27.	Common Equity Ratio	59.59%	57.14%	N/A	N/A	N/A	N/A	4.29%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.91	4.27	N/A	N/A	N/A	N/A	14.99%
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29.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 13.90%		Equity Ratio: 50.00%		Date of Order: 9-16-86		

- Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 78% 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.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		March 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$6,730	\$5,924	\$5,291	\$4,882	\$4,704	9.37%	13.61%
3.	Network Access	9,956	9,324	8,426	8,290	7,302	8.06%	6.78%
4.	Long Distance Message	1,659	1,811	2,226	2,636	2,512	-9.85%	-8.39%
5.	Miscellaneous	3,115	2,841	2,588	3,341	2,915	1.67%	9.64%
6.	Uncollectibles	(100)	(90)	(79)	(99)	(84)	4.46%	11.11%
7.	Total Operating Revenue	<u>21,360</u>	<u>19,810</u>	<u>18,452</u>	<u>19,050</u>	<u>17,349</u>	<u>5.34%</u>	<u>7.82%</u>
8.	Operating Expenses	11,531	10,852	10,666	10,554	10,608	2.11%	6.26%
9.	Depreciation & Amortization	3,156	2,832	2,697	2,523	2,355	7.59%	11.44%
10.	Total Operating Taxes	<u>2,459</u>	<u>2,559</u>	<u>2,142</u>	<u>2,458</u>	<u>1,621</u>	<u>10.98%</u>	<u>-3.91%</u>
11.	Total Expenses, Depr. & Taxes	<u>17,146</u>	<u>16,243</u>	<u>15,505</u>	<u>15,535</u>	<u>14,584</u>	<u>4.13%</u>	<u>5.56%</u>
12.	Operating Income	<u>\$4,214</u>	<u>\$3,567</u>	<u>\$2,947</u>	<u>\$3,515</u>	<u>\$2,765</u>	<u>11.11%</u>	<u>18.14%</u>
13.	Net Plant Investment	<u>\$39,136</u>	<u>\$36,156</u>	<u>\$32,972</u>	<u>\$31,107</u>	<u>\$28,731</u>	<u>8.03%</u>	<u>8.24%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	53.98%	54.78%	57.80%	55.40%	61.14%	-3.07%	-1.46%
15.	Net Plt. Investment per \$ of Revenue	\$1.83	\$1.83	\$1.79	\$1.63	\$1.66	2.47%	0.00%
<hr/>								
16.	Local Access Lines:							
17.	Residential	22	21	21	20	20	2.41%	4.76%
18.	Business	8	8	6	6	5	12.47%	0.00%
19.	Total Local Access Lines	<u>30</u>	<u>29</u>	<u>27</u>	<u>26</u>	<u>25</u>	<u>4.66%</u>	<u>3.45%</u>
20.	Total Access Lines:							
21.	Residential	22	21	21	20	20	2.41%	4.76%
22.	Business	8	8	6	6	5	12.47%	0.00%
23.	Total Access Lines	<u>30</u>	<u>29</u>	<u>27</u>	<u>26</u>	<u>25</u>	<u>4.66%</u>	<u>3.45%</u>
<hr/>								
24.	Estimated Overall Rate of Return	13.59%	12.33%	<b>9.55%</b>	<b>12.43%</b>	<b>10.21%</b>	7.41%	10.22%
25.	Estimated Return on Common Equity	14.85%	13.35%	<b>9.74%</b>	<b>13.01%</b>	<b>12.59%</b>	4.21%	11.24%
26.	Common Equity Ratio	80.04%	82.86%	<b>90.20%</b>	<b>88.53%</b>	<b>87.70%</b>	-2.26%	-3.40%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	12.76	17.55	<b>20.07</b>	<b>27.71</b>	<b>20.38</b>	-11.05%	-27.29%
<hr/>								
28.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 16.25% Equity Ratio: 37.22% Date of Order: 6-14-82						

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

[2] Net plant investment reflects net plant in service.

[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Columns (d) - (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 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$1,732	\$1,617	\$1,559	\$1,156	\$1,098	12.07%	7.11%
3.	Network Access	2,532	2,505	2,510	2,857	2,024	5.76%	1.08%
4.	Long Distance Message	617	486	374	340	293	20.46%	26.95%
5.	Miscellaneous	192	184	113	142	104	16.56%	4.35%
6.	Uncollectibles	(46)	(29)	(27)	(13)	(7)	60.11%	58.62%
7.	Total Operating Revenue	<u>5,027</u>	<u>4,763</u>	<u>4,529</u>	<u>4,482</u>	<u>3,512</u>	<u>9.38%</u>	<u>5.54%</u>
8.	Operating Expenses	3,489	3,366	2,854	2,419	2,228	11.87%	3.65%
9.	Depreciation & Amortization	563	929	868	538	495	3.27%	-39.40%
10.	Total Operating Taxes	136	(39)	269	577	289	-17.18%	-448.72%
11.	Total Expenses, Depr. & Taxes	<u>4,188</u>	<u>4,256</u>	<u>3,991</u>	<u>3,534</u>	<u>3,012</u>	<u>8.59%</u>	<u>-1.60%</u>
12.	Operating Income	<u>\$839</u>	<u>\$507</u>	<u>\$538</u>	<u>\$948</u>	<u>\$500</u>	<u>13.81%</u>	<u>65.48%</u>
13.	Net Plant Investment	<u>\$6,175</u>	<u>\$6,165</u>	<u>\$5,573</u>	<u>\$5,801</u>	<u>\$5,071</u>	<u>5.05%</u>	<u>0.16%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	69.41%	70.67%	63.02%	53.97%	63.44%	2.27%	-1.78%
15.	Net Plt. Investment per \$ of Revenue	\$1.23	\$1.29	\$1.23	\$1.29	\$1.44	-3.86%	-4.65%
<hr/>								
16.	Local Access Lines:							
17.	Residential	6	6	6	6	5	4.66%	0.00%
18.	Business	2	1	1	1	1	18.92%	100.00%
19.	Total Local Access Lines	8	7	7	7	6	7.46%	14.29%
20.	Total Access Lines:							
21.	Residential	6	6	6	6	5	4.66%	0.00%
22.	Business	2	1	1	1	1	18.92%	100.00%
23.	Total Access Lines	8	7	7	7	6	7.46%	14.29%
<hr/>								
24.	Estimated Overall Rate of Return	13.61%	10.42%	<b>19.16%</b>	<b>9.85%</b>	<b>8.38%</b>	12.89%	30.61%
25.	Estimated Return on Common Equity	23.32%	15.55%	<b>32.65%</b>	<b>19.56%</b>	<b>14.24%</b>	13.12%	49.97%
26.	Common Equity Ratio	43.66%	49.07%	<b>49.87%</b>	<b>48.32%</b>	<b>42.15%</b>	0.88%	-11.03%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.01	4.49	<b>8.90</b>	<b>5.40</b>	<b>3.93</b>	0.51%	-10.69%
<hr/>								
28.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: 16.50% Equity Ratio: 16.92%					Date of Order: 11-26-79	

Notes: [1] Rates are set on a total company basis.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data in Italics [Lines 24 - 27, Columns (d) - (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					Annual Growth Rate	
		March 1996 (b)	March 1995 (c)	March 1994 (d)	March 1993 (e)	March 1992 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$19,364	\$17,296	\$16,057	\$12,496	\$10,231	17.29%	11.96%
3.	Network Access	27,163	25,283	22,602	22,304	20,585	7.18%	7.44%
4.	Long Distance Message	5,475	5,389	5,417	8,204	11,334	-16.63%	1.60%
5.	Miscellaneous	5,920	5,506	4,855	5,264	5,282	2.89%	7.52%
6.	Uncollectibles	(416)	(384)	(455)	(466)	(426)	-0.59%	8.33%
7.	Total Operating Revenue	<u>57,506</u>	<u>53,090</u>	<u>48,476</u>	<u>47,802</u>	<u>47,006</u>	5.17%	8.32%
8.	Operating Expenses	26,301	24,597	25,267	24,630	19,989	7.10%	6.93%
9.	Depreciation & Amortization	11,817	9,245	8,262	6,895	8,520	8.52%	27.82%
10.	Total Operating Taxes	8,303	7,745	6,176	6,328	6,927	4.63%	7.20%
11.	Total Expenses, Depr. & Taxes	<u>46,421</u>	<u>41,587</u>	<u>39,705</u>	<u>37,853</u>	<u>35,436</u>	6.98%	11.62%
12.	Other Operating (Income) & Expense	(532)	1,675	(142)	(135)	(140)	39.62%	-131.76%
13.	Operating Income	<u>\$11,617</u>	<u>\$9,828</u>	<u>\$8,913</u>	<u>\$10,084</u>	<u>\$11,710</u>	-0.20%	18.20%
14.	Net Plant Investment	<u>\$80,871</u>	<u>\$74,330</u>	<u>\$70,372</u>	<u>\$69,241</u>	<u>\$67,152</u>	4.76%	8.80%
15.	Oper. Exp. as a % of Total Revenue	45.74%	46.33%	52.12%	51.53%	42.52%	1.84%	-1.28%
16.	Net Plt. Investment per \$ of Revenue	\$1.41	\$1.40	\$1.45	\$1.45	\$1.43	-0.39%	0.44%
17.	Local Access Lines:							
18.	Residential	73	71	69	67	66	2.55%	2.82%
19.	Business	33	29	28	27	25	7.19%	13.79%
20.	Total Local Access Lines	<u>106</u>	<u>100</u>	<u>97</u>	<u>94</u>	<u>91</u>	3.89%	6.00%
21.	Total Access Lines:							
22.	Residential	73	71	69	67	66	2.55%	2.82%
23.	Business	33	30	29	27	26	6.14%	10.00%
24.	Total Access Lines	<u>106</u>	<u>101</u>	<u>98</u>	<u>94</u>	<u>92</u>	3.60%	4.95%
25.	Estimated Overall Rate of Return	16.49%	15.10%	<b>14.17%</b>	<b>15.40%</b>	<b>16.64%</b>	-0.23%	9.21%
26.	Estimated Return on Common Equity	17.25%	15.84%	<b>14.91%</b>	<b>16.55%</b>	<b>15.72%</b>	2.35%	8.90%
27.	Common Equity Ratio	92.90%	91.81%	<b>90.20%</b>	<b>87.86%</b>	<b>87.15%</b>	1.61%	1.19%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	76.06	57.69	<b>25.87</b>	<b>22.03</b>	<b>22.89</b>	35.01%	31.84%
29.	<b>LAST RATE CASE</b>	Authorized Return on Common Equity: N/A		Equity Ratio: N/A		Date of Order: 6-13-52		

Notes: [1] Rates are set on a total company basis.  
[2] Net plant investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data in Italics (Lines 25 - 28, Columns (d) - (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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