



State of North Carolina  
Utilities Commission

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COMMISSIONERS  
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December 7, 2000

TO: Jo Anne Sanford, Chair  
Commissioner Ralph A. Hunt  
Commissioner Judy Hunt  
Commissioner William R. Pittman  
Commissioner J. Richard Conder  
Commissioner Robert V. Owens, Jr.  
Commissioner Sam J. Ervin, IV

FROM: Donald R. Hoover  
Operations Director

A handwritten signature in cursive script, appearing to read "Don Hoover", written over the printed name of Donald R. Hoover.

Attached for your information is a copy of the *Quarterly Review* for the calendar quarter ending June 30, 2000. Such report, which has been prepared by the Operations Division, presents an overview of selected financial and operational information and data for 18 major investor-owned public utilities regulated by the Commission.

Should you have questions concerning the report, Linda Haywood, Barbara Sharpe, or I will be pleased to be of assistance.

Thank you for your consideration.

DRH/dph

Attachment

# *"Quarterly Review"*

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## *Selected Financial and Operational Data:*

*Re:*

### *Electric Companies*

- *Carolina Power & Light Company*
- *Duke Power, a Division of Duke Energy Corporation*
- *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*
- *Lexington Telephone Company*
- *MEBTEL Communications*
- *North State Telephone Company*
- *Verizon South Inc.*

■ *Quarter Ending June 30, 2000* ■

**Prepared by:**  
**North Carolina Utilities Commission**  
**Operations Division**  
**430 N. Salisbury Street**  
**Raleigh, NC 27611**  
**(919) 733-3979**

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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 ten telecommunications companies. The primary focus of this report is one of a jurisdictional financial nature. However, albeit limited, certain jurisdictional operational information is also included.**

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

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

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

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

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

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

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

### *The Key Financial Ratios*

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

#### *The Return on Common Equity*

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

#### *The Common Equity Capitalization Ratio*

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

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



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

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

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

### *The Overall Rate of Return*

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

### *The Propriety of The Methodology*

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

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

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

From the standpoint of giving 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.

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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 June 30, 2000 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios — And Certain Rate Case Data***
  
- ▣ ***Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By Public Utilities Reports, Volume Nos. 182-203, from March 1998 Through October 2000***

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

\*Estimated Returns on Common Equity, Overall Rates of Return,  
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios are for  
Twelve Months Ended June 30, 2000, Except for Certain Telecommunications Companies - See Note [1]\*

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

Line No.	Item (a)	Estimated for 12 Months Ended 6/30/00				Authorized - Last Rate Case			
		Return On Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Pre-tax Interest Coverage Ratio (e)	Return On Equity (f)	Overall Rate of Return (g)	Equity Ratio (h)	Date of Last Order (i)
<b>Electric Companies</b>									
1.	Carolina Power & Light Company	12.28%	9.75%	55.48%	5.30	12.75%	10.45%	44.00%	08/05/88
2.	Duke Power, a Division of Duke Energy Corporation	11.98%	9.90%	58.76%	5.55	12.50%	10.44%	49.82%	11/12/91
3.	Nantahala Power and Light Company	9.28%	8.47%	56.72%	3.74	12.10%	10.32%	56.11%	06/18/93
4.	North Carolina Power	11.26%	9.09%	48.18%	4.33	11.80%	9.48%	44.82%	02/26/93
<b>Natural Gas Local Distribution Companies</b>									
5.	North Carolina Gas Service, Division of NUI	N/A	N/A	N/A	N/A	11.40%	9.16%	47.57%	09/20/95
6.	North Carolina Natural Gas Corporation	12.92%	9.86%	51.93%	4.46	N/A	10.09%	N/A	10/27/95
7.	Piedmont Natural Gas Company, Inc.	11.50%	9.67%	52.65%	3.86	N/A	N/A	N/A	10/23/96
8.	Public Service Company of North Carolina, Inc.	12.43%	9.83%	47.74%	3.49	11.40%	9.82%	51.91%	10/30/98
<b>Telecommunications Companies</b>									
9.	* ALLTEL Carolina, Inc.	14.90%	13.52%	65.39%	4.24	13.20%	10.33%	42.11%	11/25/86
10.	* BellSouth Telecommunications, Inc.	27.75%	18.37%	55.12%	9.08	15.00%	12.51%	54.80%	11/09/84
11.	* Carolina Telephone and Telegraph Company	15.96%	12.36%	62.08%	7.35	15.25%	11.82%	48.40%	03/30/83
12.	* Central Telephone Company	N/A	N/A	N/A	N/A	15.50%	12.09%	48.30%	06/22/83
13.	Citizens Telephone Company	18.79%	14.93%	63.25%	6.98	12.70%	10.11%	44.95%	02/26/91
14.	* Concord Telephone Company	21.76%	18.12%	75.41%	17.89	15.50%	12.11%	58.59%	06/17/83
15.	Lexcom Telephone, Inc.	11.23%	10.99%	93.09%	45.93	16.26%	12.77%	37.22%	06/14/82
16.	* MEBTEL Communications	55.31%	17.95%	23.07%	4.98	16.50%	5.92%	16.92%	11/26/79
17.	North State Telephone Company	18.62%	18.28%	97.04%	252.03	N/A	N/A	N/A	06/13/52
18.	* Verizon South Inc.	4.36%	8.48%	55.81%	2.23	13.90%	11.82%	50.00%	09/16/86

**NOTES:**

- [1] Companies electing price regulation are denoted above with an asterisk. For those companies, with the exception of Concord Telephone Company, ALLTEL Carolina, Inc., and MEBTEL Communications, the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996; therefore, the data for such companies included herein is updated annually beginning with the calendar year 1996. Concord Telephone Company elected price regulation during 1997, and the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1997. Thus, the data for Concord Telephone Company will be updated annually beginning with the calendar year 1997. ALLTEL Carolina, Inc. elected price regulation during 1998, and the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1998. Thus, the data for ALLTEL Carolina, Inc. will be updated annually beginning with the calendar year 1998. MEBTEL Communications elected price regulation during 1999, and the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after September 30, 1999. Thus, the data for MEBTEL Communications will be updated annually beginning with the calendar year 1999.
- [2] Information presented is on a North Carolina jurisdictional basis except for MEBTEL Communications and North State Telephone Company which are presented on a total company basis.
- [3] On June 30, 2000, by amendment of its articles of incorporation, the name of GTE South Incorporated was changed to Verizon South Inc. as a result of the merger between GTE Corporation and Bell Atlantic Corporation, effective August 1, 2000.
- [4] N/A denotes that information is not available.

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

"Estimated Returns on Common Equity, Overall Rates of Return,  
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios are for  
Twelve Months Ended June 30, 2000, Except for Certain Telecommunications Companies - See Note [1]"

**NOTES - continued**

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

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

[5] Selected financial market indicators from "Moody's Credit Perspectives", Volume 93, No. 45, November 6, 2000 follow:

**Part I**

Line No.	Date (a)	U.S. Treasury Securities			Dealer-Placed 3-Month CP (e)	Moody's Long-Term Corporate Bond Yield (f)
		3-Month Bill % (b)	10-Year Note % (c)	30-Year Bond % (d)		
1.	October 27, 2000	6.16	5.73	5.75	6.53	7.90
2.	October 30, 2000	6.19	5.73	5.75	6.52	7.90
3.	October 31, 2000	6.16	5.76	5.79	6.50	7.93
4.	November 1, 2000	6.17	5.74	5.78	6.52	7.93
5.	November 2, 2000	6.18	5.74	5.78	6.52	7.90
6.	Month of September 2000	5.99	5.80	5.82	6.47	7.98
7.	Month of August 2000	6.09	5.82	5.71	6.49	7.88

**Part II**

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

Line No.	Rating (a)	11/02/00 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	Oct 2000 (e)	Sept. 2000 (f)
1.	Aaa	7.71	8.22	7.56	7.80	7.95
2.	Aa	8.04	8.44	7.82	8.08	8.11
3.	A	8.12	8.70	7.94	8.14	8.23

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

"Estimated Returns on Common Equity, Overall Rates of Return,  
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios are for  
Twelve Months Ended June 30, 2000, Except for Certain Telecommunications Companies - See Note [1]"

**NOTES - continued**

**NOTES:** [5] Selected financial market indicators from "Moody's Credit Perspectives", Volume 93, No. 45, November 6, 2000 follow - continued:

**Part III**

**New offerings by public utilities - listing is all inclusive for week of November 6, 2000:**

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield		Rating (f)
				Current (d)	Maturity (e)	
1.	Oklahoma Gas & Electric Company	\$110 Million	5 Years	7.125%	7.234%	A1
2.	Pacific Gas & Electric Company	\$680 Million	5 Years	7.375%	-	A2
3.	Pacific Gas & Electric Company	\$1 Billion	1 Year	Floating *	-	A2

\* [6] No other information was reported with respect to the cost rate for this issue.

**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. 182-203, from March 1998 through October 2000**

(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.	Wisconsin Public Service Corporation (WI)	12.10%	10.79%	01/15/99	Volume 191
2.	Connecticut Light and Power Company (CT)	10.30%	8.12%	02/05/99	Volume 191
3.	West Plains Energy Kansas (KS)	10.55%	N/A	01/19/00	Volume 198
4.	Cheyenne Light, Fuel & Power Company (WY)	12.00%	8.29%	02/28/00	Volume 199
5.	PacificCorp, dba Utah Power & Light Company (UT)	11.00%	9.02%	05/24/00	Volume 201
<b>Natural Gas Local Distribution Companies</b>					
6.	Madison Gas and Electric Company (WI)	12.20%	10.45%	01/14/99	Volume 190
7.	Wisconsin Public Service Corporation (WI)	12.10%	10.82%	01/15/99	Volume 191
8.	Northwest Natural Gas Co. (OR)	10.25%	8.90%	11/12/99	Volume 197
9.	Delta Natural Gas Company, Inc. (KY)	11.60%	N/A	12/27/99	Volume 198
10.	Southern Connecticut Gas Company (CT)	10.71%	N/A	01/28/00	Volume 198
11.	Connecticut Natural Gas Corporation (CT)	10.80%	N/A	05/25/00	Volume 201
12.	Baltimore Gas and Electric Company (MD)	11.05%	8.61%	06/19/00	Volume 203
13.	Questar Gas Company (UT)	11.00%	9.82%	08/11/00	Volume 203
<b>Telecommunications Companies</b>					
14.	Vermont Telephone Company, Inc. (VT)	11.90%	10.18%	11/10/97	Volume 182
15.	U S West Communications, Inc. (UT)	11.50%	9.76%	12/04/97	Volume 183

**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. 182-203, from March 1998 through October 2000**

(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>Water Companies</b>					
16.	New Jersey-American Water Company (NJ)	10.80%	N/A	04/06/99	Volume 193
17.	Pennsgrove Water Supply Company (NJ)	10.80%	9.79%	08/30/99	Volume 194
18.	Unionville Water Co. (CT)	12.35%	N/A	08/25/99	Volume 196
19.	Central Water Company, Inc. (NH)	8.49%	9.17%	10/25/99	Volume 198
20.	Long Neck Water Company (DE)	10.00%	N/A	01/19/00	Volume 198
21.	Connecticut-American Water Company (CT)	10.65%	9.31%	03/23/00	Volume 200
22.	Jewett City Water Company (CT)	12.30%	N/A	04/26/00	Volume 201

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, a Division of Duke Energy Corporation***
  - ***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.***
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  - ***Concord Telephone Company***
  - ***Lexcom Telephone, Inc.***
  - ***MEBTEL Communications***
  - ***North State Telephone Company***
  - ***Verizon South Inc.***

**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	
		June 2000 (b)	June 1999 (c)	June 1998 (d)	June 1997 (e)	June 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,301,205	\$2,247,469	\$2,252,762	\$2,067,383	\$2,123,208	2.03%	2.39%
2.	Operating Expenses:							
3.	Fuel	420,882	416,445	408,548	346,214	342,570	5.28%	1.07%
4.	Purchased Power	245,344	275,214	289,454	252,821	277,092	-3.00%	-10.85%
5.	Maintenance	161,548	142,817	131,263	158,719	132,801	5.02%	13.12%
6.	Other Operating Expenses	365,726	328,498	344,272	376,739	382,137	-1.09%	11.33%
7.	Total Operating Expenses	1,193,500	1,162,974	1,173,537	1,134,493	1,134,600	1.27%	2.62%
8.	Depreciation & Amortization	377,386	357,044	366,387	336,253	277,638	7.98%	5.70%
9.	Total Expenses & Depreciation	1,570,886	1,520,018	1,539,924	1,470,746	1,412,238	2.70%	3.35%
10.	Total Operating Taxes	343,790	352,116	333,934	262,530	334,132	0.71%	-2.36%
11.	Total Expenses, Depr. & Taxes	1,914,676	1,872,134	1,873,858	1,733,276	1,746,370	2.33%	2.27%
12.	Operating Income	\$366,529	\$375,395	\$378,904	\$334,107	\$376,838	0.64%	2.98%
13.	Net Plant Investment	\$4,323,272	\$4,302,881	\$4,353,788	\$4,391,285	\$4,198,079	0.74%	0.47%
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14.	Oper. Exp. as a % of Total Revenue	51.86%	51.75%	52.09%	54.88%	53.44%	-0.75%	0.21%
15.	Net Plt. Investment per \$ of Revenue	\$1.88	\$1.91	\$1.93	\$2.12	\$1.98	-1.29%	-1.57%
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16.	Number of Customers Served:							
17.	Residential	900	877	852	829	806	2.80%	2.62%
18.	Commercial	157	153	148	143	139	3.09%	2.61%
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	1063	1036	1006	978	951	2.82%	2.61%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	11,897	11,400	11,001	10,181	10,887	2.24%	4.36%
24.	Commercial	9,732	9,261	8,776	8,173	8,117	4.64%	5.09%
25.	Industrial	11,135	11,313	11,579	11,427	11,001	0.30%	-1.57%
26.	Other	4,860	4,855	6,351	4,133	4,305	3.08%	0.10%
27.	Total Sales	37,624	36,829	37,707	33,914	34,310	2.33%	2.16%
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28.	Estimated Overall Rate of Return	9.75%	9.52%	9.67%	8.81%	10.27%	-1.29%	2.42%
29.	Estimated Return on Common Equity	12.26%	11.70%	12.07%	10.58%	13.39%	-2.18%	4.79%
30.	Common Equity Ratio	55.46%	56.68%	55.13%	54.11%	50.38%	2.43%	-2.15%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.30	5.44	5.13	4.34	4.75	2.76%	-2.57%
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32.	LAST RATE CASE	Authorized Returns: Common Equity 12.75%, Overall 10.45%; Equity Ratio: 44.00%; Date of Order: 8-5-88						

Notes: [1] North Carolina retail jurisdictional revenue equates to 71% of total company electric utility revenue.

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

[3] Source of Data: NCUC ES-1 Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2000 (b)	June 1999 (c)	June 1998 (d)	June 1997 (e)	June 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$3,089,262	\$2,994,816	\$2,905,149	\$2,857,061	\$2,878,452	1.78%	3.15%
2.	Operating Expenses:							
3.	Fuel	443,520	447,984	439,493	458,631	478,790	-1.89%	-1.00%
4.	Purchased Power	281,281	283,968	258,372	281,483	281,763	-0.04%	6.55%
5.	Maintenance	287,311	275,412	277,342	301,694	303,931	-1.40%	4.32%
6.	Other Operating Expenses	989,710	930,385	989,857	938,808	952,078	8.10%	11.00%
7.	Total Operating Expenses	1,711,802	1,617,749	1,564,864	1,578,616	1,616,580	1.44%	5.81%
8.	Depreciation & Amortization	364,471	351,481	336,618	326,047	309,189	4.20%	3.70%
9.	Total Expenses & Depreciation	2,076,273	1,969,230	1,901,482	1,904,663	1,925,749	1.90%	5.44%
10.	Total Operating Taxes	488,589	481,522	480,818	435,203	436,281	1.80%	-2.69%
11.	Total Expenses, Depr. & Taxes	2,544,842	2,450,752	2,382,300	2,339,866	2,362,010	1.86%	3.84%
12.	Operating Income	\$544,420	\$544,064	\$542,849	\$517,195	\$518,442	1.33%	0.07%
13.	Net Plant Investment	\$8,192,413	\$8,203,208	\$8,037,889	\$8,087,524	\$5,950,423	1.00%	-0.17%
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14.	Oper. Exp. as a % of Total Revenue	55.41%	54.02%	53.87%	55.25%	56.16%	-0.34%	2.57%
15.	Net Plt. Investment per \$ of Revenue	\$2.00	\$2.07	\$2.08	\$2.13	\$2.07	-0.86%	-3.38%
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16.	Number of Customers Served:							
17.	Residential	1,307	1,275	1,248	1,204	1,164	2.94%	2.51%
18.	Commercial	209	204	197	190	182	3.52%	2.45%
19.	Industrial	8	7	7	7	7	-3.78%	-14.29%
20.	Other	8	7	7	7	8	7.46%	14.29%
21.	Total Number of Customers	1,530	1,493	1,459	1,408	1,359	3.01%	2.48%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	18,598	18,131	15,789	14,818	15,828	1.19%	2.90%
24.	Commercial	17,378	18,484	15,754	14,948	14,831	4.04%	5.36%
25.	Industrial	17,748	17,793	18,200	17,569	17,462	0.41%	-0.25%
26.	Other	232	222	217	214	198	4.31%	4.50%
27.	Total Sales	51,856	50,640	49,960	47,587	48,317	1.83%	2.80%
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28.	Estimated Overall Rate of Return	9.90%	9.98%	10.34%	9.83%	9.96%	-0.15%	-0.90%
29.	Estimated Return on Common Equity	11.96%	12.37%	12.89%	11.94%	12.23%	-0.56%	-3.31%
30.	Common Equity Ratio	58.76%	56.06%	54.01%	53.83%	53.15%	2.54%	4.82%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.55	5.40	5.15	4.97	5.00	2.64%	2.78%
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32.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 12.50%, Overall 10.44%; Equity Ratio: 49.82%; Date of Order: 11-12-91						

Notes: [1] North Carolina retail jurisdictional revenue equates to 66% of total company electric utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC ES-1 Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2000 (b)	June 1999 (c)	June 1998 (d)	June 1997 (e)	June 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$67,669	\$64,817	\$65,329	\$59,692	\$67,686	-0.01%	4.40%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	0	9	315	627	9,372	N/A	N/A
4.	Purchased Power - Regular	27,194	25,506	26,384	23,622	26,369	0.77%	6.62%
5.	Maintenance	5,021	5,289	4,602	4,797	5,549	-2.47%	-5.07%
6.	Other Operating Expenses	8,362	7,507	7,619	7,727	7,842	2.28%	11.39%
7.	Total Operating Expenses	40,577	38,311	38,920	36,773	48,932	-4.57%	5.91%
8.	Depreciation & Amortization	6,253	5,891	5,479	4,459	5,267	4.36%	6.14%
9.	Total Expenses & Depreciation	46,830	44,202	44,399	41,232	54,199	-3.59%	5.95%
10.	Total Operating Taxes	8,950	9,216	9,263	8,544	6,203	9.60%	-2.89%
11.	Total Expenses, Depr. & Taxes	55,780	53,418	53,662	49,776	60,402	-1.97%	4.42%
12.	Operating Income	\$11,889	\$11,399	\$11,667	\$9,916	\$7,284	13.03%	4.30%
13.	Net Plant Investment	\$151,090	\$143,744	\$134,387	\$123,366	\$110,259	8.19%	5.11%
14.	Oper. Exp. as a % of Total Revenue	59.98%	59.11%	59.58%	61.60%	72.29%	-4.57%	1.44%
15.	Net Plt. Investment per \$ of Revenue	\$2.23	\$2.22	\$2.06	\$2.07	\$1.63	8.15%	0.45%
16.	Number of Customers Served:							
17.	Residential	55	52	52	50	49	2.93%	5.77%
18.	Commercial	7	7	6	6	6	3.93%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	0	0	0	0	0	N/A	N/A
21.	Total Number of Customers	62	59	58	56	55	3.04%	5.08%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	525	495	495	453	489	1.79%	6.06%
24.	Commercial	366	345	336	314	318	3.58%	6.09%
25.	Industrial	140	137	134	120	111	5.97%	2.19%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	1,033	979	967	889	920	2.94%	5.52%
28.	Estimated Overall Rate of Return	8.47%	8.57%	9.21%	8.63%	6.84%	5.49%	-1.17%
29.	Estimated Return on Common Equity	9.28%	9.56%	10.99%	9.61%	6.16%	8.54%	-2.93%
30.	Common Equity Ratio	56.72%	53.45%	50.08%	54.20%	63.30%	-2.71%	6.12%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.74	3.48	3.46	3.58	2.94	6.20%	8.09%
32.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 12.10%, Overall 10.32%; Equity Ratio: 56.11%; Date of Order: 6-18-93						

Notes: [1] North Carolina retail jurisdictional revenue equates to 96% of total company electric utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC ES-1 Reports.  
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2000 (b)	June 1999 (c)	June 1998 (d)	June 1997 (e)	June 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$228,279	\$217,172	\$223,380	\$208,208	\$211,054	1.76%	4.19%
2.	Operating Expenses:							
3.	Fuel	35,953	29,553	27,981	25,419	28,355	6.11%	21.88%
4.	Purchased Power	50,707	50,853	58,077	56,795	49,343	0.88%	-0.29%
5.	Maintenance	0	13,288	10,153	13,442	12,507	N/A	N/A
6.	Other Operating Expenses	48,997	31,574	30,971	29,831	30,987	12.14%	55.18%
7.	Total Operating Expenses	135,657	125,268	127,182	124,587	121,192	2.86%	8.30%
8.	Depreciation & Amortization	24,140	24,554	27,108	25,773	24,383	-0.23%	-1.89%
9.	Total Expenses & Depreciation	159,797	149,820	154,290	150,360	145,555	2.36%	8.66%
10.	Total Operating Taxes	31,017	28,815	27,700	24,888	27,808	2.77%	8.39%
11.	Total Expenses, Depr. & Taxes	190,814	178,635	181,990	175,028	173,361	2.43%	8.94%
12.	Operating Income	\$35,485	\$38,737	\$41,390	\$33,178	\$37,893	-1.51%	-8.45%
13.	Net Plant Investment	\$401,888	\$407,908	\$432,039	\$444,744	\$437,874	-2.11%	-1.48%
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14.	Oper. Exp. as a % of Total Revenue	59.95%	57.88%	58.94%	58.84%	57.42%	1.08%	3.94%
15.	Net Plt. Investment per \$ of Revenue	\$1.78	\$1.88	\$1.93	\$2.14	\$2.07	-3.70%	-5.32%
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16.	Number of Customers Served:							
17.	Residential	91	90	89	87	88	1.42%	1.11%
18.	Commercial	14	14	13	13	13	1.87%	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	107	108	104	102	101	1.45%	0.94%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,254	1,191	1,134	1,082	1,155	2.08%	5.29%
24.	Commercial	673	651	642	612	643	1.15%	3.38%
25.	Industrial	1,215	1,185	1,289	1,280	1,200	0.31%	2.53%
26.	Other	127	127	110	111	122	1.01%	0.00%
27.	Total Sales	3,269	3,154	3,175	3,045	3,120	1.17%	3.85%
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28.	Estimated Overall Rate of Return	9.09%	9.35%	9.50%	7.58%	9.10%	-0.03%	-2.78%
29.	Estimated Return on Common Equity	11.26%	11.88%	12.00%	7.88%	11.12%	0.31%	-5.22%
30.	Common Equity Ratio	48.18%	48.89%	47.38%	47.14%	45.82%	1.37%	2.75%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.33	4.00	3.81	3.00	3.58	4.67%	8.25%
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32.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 11.80%, Overall 9.48%; Equity Ratio: 44.82%; Date of Order: 2-28-93						

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

**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	
		June 2000 (b)	June 1999 (c)	June 1998 (d)	June 1997 (e)	June 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	N/A	\$5,543	N/A	N/A	N/A	N/A	N/A
3.	Commercial	N/A	2,525	N/A	N/A	N/A	N/A	N/A
4.	Industrial	N/A	2,479	N/A	N/A	N/A	N/A	N/A
5.	Public Authorities	N/A	0	N/A	N/A	N/A	N/A	N/A
6.	Resale	N/A	1,075	N/A	N/A	N/A	N/A	N/A
7.	Other	N/A	2,219	N/A	N/A	N/A	N/A	N/A
8.	Total Operating Revenue	N/A	13,841	N/A	N/A	N/A	N/A	N/A
9.	Cost of Gas	N/A	7,388	N/A	N/A	N/A	N/A	N/A
10.	Margin	N/A	6,455	N/A	N/A	N/A	N/A	N/A
11.	O & M Expenses	N/A	4,004	N/A	N/A	N/A	N/A	N/A
12.	Other Deductions	N/A	1,588	N/A	N/A	N/A	N/A	N/A
13.	Operating Income	N/A	\$865	N/A	N/A	N/A	N/A	N/A
14.	Net Plant Investment	N/A	\$14,419	N/A	N/A	N/A	N/A	N/A
15.	Operating Exp. as a % of Margin	N/A	62.03%	N/A	N/A	N/A	N/A	N/A
16.	Net Plt. Investment per \$ of Margin	N/A	\$2.23	N/A	N/A	N/A	N/A	N/A
17.	Gas Delivered in DTs:							
18.	Residential	N/A	803	N/A	N/A	N/A	N/A	N/A
19.	Commercial	N/A	500	N/A	N/A	N/A	N/A	N/A
20.	Industrial	N/A	1,346	N/A	N/A	N/A	N/A	N/A
21.	Public Authorities	N/A	0	N/A	N/A	N/A	N/A	N/A
22.	Resale	N/A	0	N/A	N/A	N/A	N/A	N/A
23.	Other	N/A	813	N/A	N/A	N/A	N/A	N/A
24.	Total DTs	N/A	3,462	N/A	N/A	N/A	N/A	N/A
25.	Number of Customers:							
26.	Residential	N/A	12	N/A	N/A	N/A	N/A	N/A
27.	Commercial	N/A	2	N/A	N/A	N/A	N/A	N/A
28.	Industrial	N/A	0	N/A	N/A	N/A	N/A	N/A
29.	Public Authorities	N/A	0	N/A	N/A	N/A	N/A	N/A
30.	Resale	N/A	0	N/A	N/A	N/A	N/A	N/A
31.	Other	N/A	0	N/A	N/A	N/A	N/A	N/A
32.	Total Number of Customers	N/A	14	N/A	N/A	N/A	N/A	N/A
33.	Estimated Overall Rate of Return	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34.	Estimated Return on Common Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35.	Common Equity Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 11.40%, Overall 9.16%; Equity Ratio: 47.57%; Date of Order: 9-20-85						

Notes: [1] The percentage of North Carolina retail jurisdictional revenue to total company gas utility revenue is not available.  
[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 has not been provided due to ongoing changes occurring within the Company's internal operational structure.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2000 (b)	June 1999 (c)	June 1998 (d)	June 1997 (e)	June 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	N/A	N/A	\$46,871	\$46,498	\$44,128	N/A	N/A
3.	Commercial	N/A	N/A	31,337	31,136	27,013	N/A	N/A
4.	Industrial	N/A	N/A	52,106	63,333	66,705	N/A	N/A
5.	Public Authorities	N/A	N/A	1,874	2,005	2,007	N/A	N/A
6.	Resale	N/A	N/A	18,933	22,480	26,812	N/A	N/A
7.	Other	N/A	N/A	27,717	19,501	21,026	N/A	N/A
8.	Total Operating Revenue	N/A	163,898	178,838	184,933	189,691	N/A	N/A
9.	Cost of Gas	N/A	91,188	100,818	112,490	122,123	N/A	N/A
10.	Margin	N/A	72,710	78,020	72,443	67,568	N/A	N/A
11.	O & M Expenses	N/A	23,408	26,398	24,750	22,356	N/A	N/A
12.	Other Deductions	N/A	28,972	28,937	27,785	28,138	N/A	N/A
13.	Operating Income	N/A	\$20,330	\$20,685	\$19,908	\$19,078	N/A	N/A
14.	Net Plant Investment	N/A	\$209,137	\$200,144	\$188,311	\$179,780	N/A	N/A
15.	Operating Exp. as a % of Margin	N/A	32.19%	34.73%	34.16%	33.09%	N/A	N/A
16.	Net Plt. Investment per \$ of Margin	N/A	\$2.88	\$2.83	\$2.80	\$2.66	N/A	N/A
17.	Gas Delivered in DTs:							
18.	Residential	N/A	N/A	6,078	5,844	6,738	N/A	N/A
19.	Commercial	N/A	N/A	5,302	5,082	5,403	N/A	N/A
20.	Industrial	N/A	N/A	13,201	14,588	19,073	N/A	N/A
21.	Public Authorities	N/A	N/A	335	338	389	N/A	N/A
22.	Resale	N/A	N/A	3,125	4,256	7,245	N/A	N/A
23.	Other	N/A	N/A	27,109	24,341	15,207	N/A	N/A
24.	Total DTs	N/A	N/A	55,144	54,447	54,055	N/A	N/A
25.	Number of Customers:							
26.	Residential	N/A	N/A	94	91	87	N/A	N/A
27.	Commercial	N/A	N/A	13	13	12	N/A	N/A
28.	Industrial	N/A	N/A	0	0	1	N/A	N/A
29.	Public Authorities	N/A	N/A	4	4	5	N/A	N/A
30.	Resale	N/A	N/A	47	45	42	N/A	N/A
31.	Other	N/A	N/A	0	0	0	N/A	N/A
32.	Total Number of Customers	N/A	N/A	158	153	147	N/A	N/A
33.	Estimated Overall Rate of Return	9.86%	10.15%	11.24%	11.98%	10.95%	-2.59%	-2.86%
34.	Estimated Return on Common Equity	12.92%	11.88%	13.32%	14.37%	12.62%	0.59%	8.75%
35.	Common Equity Ratio	51.93%	59.93%	60.87%	61.08%	60.10%	-3.59%	-13.35%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.46	4.79	5.22	5.47	4.73	-1.48%	-6.89%
37.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity N/A, Overall 10.09%; Equity Ratio: N/A; Date of Order: 10-27-85						

Notes: [1] Rates are set on a total company basis.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports.  
[4] Data provided on Lines 33-36, Column (b), is based on calculations derived from use of Carolina Power & Light Company's capital structure. The acquisition of North Carolina Natural Gas Corporation by Carolina Power & Light Company was approved by the Commission on July 13, 1999.  
[5] N/A denotes that the information to date has not been made available by the Company.

**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	
		June 2000 (b)	June 1999 (c)	June 1998 (d)	June 1997 (e)	June 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$204,719	\$173,586	\$193,728	\$193,045	\$170,672	4.65%	17.94%
3.	Commercial	111,571	87,632	103,114	105,723	93,973	4.38%	27.32%
4.	Industrial	113,026	67,223	82,111	96,719	89,354	6.05%	68.14%
5.	Public Authorities	2,778	2,665	3,127	3,392	2,907	-0.26%	4.24%
6.	Resale	0	0	0	0	2,216	N/A	N/A
7.	Other	17,712	78,628	81,540	61,711	21,463	-4.69%	-77.47%
8.	Total Operating Revenue	449,806	409,734	463,620	460,590	380,485	4.27%	9.78%
9.	Cost of Gas	272,926	218,082	272,051	281,860	215,926	6.03%	25.15%
10.	Margin	176,880	191,652	191,569	178,730	164,559	1.82%	-7.71%
11.	O & M Expenses	72,245	69,459	69,796	71,626	67,306	1.79%	4.01%
12.	Other Deductions	53,497	65,899	66,449	60,184	54,884	-0.69%	-18.82%
13.	Operating Income	\$51,138	\$56,284	\$55,324	\$46,920	\$42,269	4.88%	-9.18%
14.	Net Plant Investment	\$557,448	\$511,705	\$479,234	\$455,017	\$420,868	7.27%	8.84%
15.	Operating Exp. as a % of Margin	40.84%	36.24%	36.43%	40.07%	40.90%	-0.04%	12.69%
16.	Net Plt. Investment per \$ of Margin	\$3.15	\$2.67	\$2.50	\$2.55	\$2.56	5.32%	17.98%
17.	Gas Delivered in DTs:							
18.	Residential	24,379	22,691	24,639	22,933	25,480	-1.10%	7.44%
19.	Commercial	16,788	14,612	16,097	15,405	16,643	0.22%	14.89%
20.	Industrial	25,775	18,621	19,567	20,745	22,586	3.36%	38.42%
21.	Public Authorities	387	422	465	480	505	-6.44%	-8.29%
22.	Resale	0	0	0	0	448	N/A	N/A
23.	Other	15,463	49,921	44,591	18,436	17,005	-2.35%	-69.03%
24.	Total DTs	82,792	106,267	105,359	77,999	82,667	0.04%	-22.08%
25.	Number of Customers:							
26.	Residential	354	335	317	297	282	5.85%	5.67%
27.	Commercial	41	39	38	36	35	4.03%	5.13%
28.	Industrial	2	2	2	2	2	0.00%	0.00%
29.	Public Authorities	5	6	6	6	6	-4.46%	-16.67%
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	402	382	363	341	325	5.46%	5.24%
33.	Estimated Overall Rate of Return	9.67%	10.77%	11.79%	10.49%	10.45%	-1.92%	-10.21%
34.	Estimated Return on Common Equity	11.50%	13.24%	15.20%	12.98%	12.52%	-2.10%	-13.14%
35.	Common Equity Ratio	52.65%	54.43%	52.84%	49.89%	51.85%	0.38%	-3.27%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.66	4.28	4.48	3.63	3.64	0.14%	-14.49%
37.	LAST RATE CASE	Authorized Returns: Common Equity N/A, Overall N/A; Equity Ratio: N/A; Date of Order: 10-23-98						

Notes: [1] North Carolina retail jurisdictional revenue equates to 56% of total company gas utility revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: Shareholders' reports and the NCUC GS-1 Reports.  
[4] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.



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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2000 (b)	June 1999 (c)	June 1998 (d)	June 1997 (e)	June 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$186,154	\$172,432	\$184,431	\$180,357	\$162,375	5.10%	14.82%
3.	Commercial	66,044	74,821	64,665	67,137	77,756	3.16%	17.67%
4.	Industrial	9,820	6,144	23,234	37,016	37,282	-26.36%	59.83%
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	43,605	40,344	40,214	32,497	25,067	14.82%	8.08%
8.	Total Operating Revenue	<u>339,623</u>	<u>293,741</u>	<u>332,544</u>	<u>337,007</u>	<u>302,500</u>	<u>2.94%</u>	<u>15.62%</u>
9.	Cost of Gas	174,519	132,603	178,778	182,891	182,017	1.88%	31.61%
10.	Margin	165,104	161,138	155,765	154,316	140,483	4.12%	2.48%
11.	O & M Expenses	69,518	68,398	59,993	60,360	54,146	6.45%	1.64%
12.	Other Deductions	59,590	56,232	56,266	54,775	50,104	4.42%	5.92%
13.	Operating Income	<u>\$36,026</u>	<u>\$36,508</u>	<u>\$39,506</u>	<u>\$39,181</u>	<u>\$36,233</u>	<u>-0.14%</u>	<u>-1.32%</u>
14.	Net Plant Investment	<u>\$495,691</u>	<u>\$499,005</u>	<u>\$472,910</u>	<u>\$439,018</u>	<u>\$414,488</u>	<u>4.57%</u>	<u>-0.68%</u>
15.	Operating Exp. as a % of Margin	42.11%	42.45%	38.52%	39.11%	38.54%	2.24%	-0.80%
16.	Net Plt. Investment per \$ of Margin	\$3.00	\$3.10	\$3.04	\$2.84	\$2.95	0.42%	-3.23%
17.	Gas Delivered in DTs:							
18.	Residential	21,358	19,418	20,825	19,672	22,417	-1.20%	9.99%
19.	Commercial	12,913	11,959	12,858	12,456	14,247	-2.43%	7.98%
20.	Industrial	1,718	1,132	4,753	7,709	9,251	-34.35%	51.77%
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	34,103	31,141	29,382	24,591	19,575	14.69%	9.51%
24.	Total DTs	<u>70,092</u>	<u>63,650</u>	<u>67,568</u>	<u>64,428</u>	<u>65,490</u>	<u>1.71%</u>	<u>10.12%</u>
25.	Number of Customers:							
26.	Residential	307	293	277	263	248	5.48%	4.78%
27.	Commercial	42	42	41	39	40	1.23%	0.00%
28.	Industrial	2	2	2	2	0	N/A	0.00%
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	<u>351</u>	<u>337</u>	<u>320</u>	<u>304</u>	<u>288</u>	<u>5.07%</u>	<u>4.15%</u>
33.	Estimated Overall Rate of Return	9.83%	8.80%	9.53%	10.34%	11.16%	-3.12%	11.70%
34.	Estimated Return on Common Equity	12.43%	10.04%	11.12%	12.78%	13.51%	-2.06%	23.80%
35.	Common Equity Ratio	47.74%	49.09%	49.15%	49.16%	52.64%	-2.41%	-2.75%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.49	3.02	3.17	3.51	3.86	-2.49%	15.56%
37.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 11.40%, Overall 9.82%; Equity Ratio: 51.91%; Date of Order: 10-30-98						

Notes: [1] Rates are set on a total company basis.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 Reports.  
[4] The Company has changed, effective March 2000, an accounting procedure such that it now accrues revenues for unbilled deliveries. The change has the effect of accelerating the recognition of margins not yet billed. Also, earnings data reflects treatment of the acquisition adjustment resulting from the merger between SCANA Corporation and Public Service Company of North Carolina, Inc., in a manner consistent with the Commission's Order approving the merger (Order dated December 7, 1999, in Docket No. G-5, Sub 400).  
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

**ALLETEL CAROLINA, INC.**  
**SELECTED FINANCIAL OPERATIONAL DATA**  
**North Carolina Intrastate Operations**  
(Amounts In Thousands)

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$63,217	\$63,287	\$57,828	\$50,393	\$42,419	10.49%	-0.08%
3.	Network Access	21,166	20,200	20,706	21,342	20,771	0.47%	4.78%
4.	Long Distance Message	5,643	5,498	5,403	7,927	15,637	-22.49%	2.64%
5.	Miscellaneous	3,636	3,577	2,477	1,286	5,157	-8.37%	1.95%
6.	Uncollectibles	(584)	(580)	(278)	(490)	(1,612)	-23.09%	-2.76%
7.	Total Operating Revenue	<u>93,098</u>	<u>91,982</u>	<u>85,836</u>	<u>80,458</u>	<u>82,372</u>	<u>3.11%</u>	<u>1.24%</u>
8.	Operating Expenses	48,647	42,171	39,913	39,333	36,985	5.97%	10.61%
9.	Depreciation & Amortization	16,157	15,276	14,026	13,154	16,360	-0.31%	5.77%
10.	Total Operating Taxes	<u>11,879</u>	<u>13,434</u>	<u>12,171</u>	<u>10,612</u>	<u>11,442</u>	<u>0.84%</u>	<u>-11.58%</u>
11.	Total Expenses, Depr. & Taxes	<u>74,683</u>	<u>70,881</u>	<u>66,110</u>	<u>63,099</u>	<u>64,787</u>	<u>3.62%</u>	<u>5.36%</u>
12.	Other Operating (Income) & Expense	0	0	0	0	(187)	N/A	N/A
13.	Operating Income	<u>\$18,415</u>	<u>\$21,081</u>	<u>\$19,826</u>	<u>\$17,359</u>	<u>\$17,772</u>	<u>0.89%</u>	<u>-12.65%</u>
14.	Net Plant Investment	<u>\$153,889</u>	<u>\$146,651</u>	<u>\$145,745</u>	<u>\$134,278</u>	<u>\$133,271</u>	<u>3.66%</u>	<u>4.94%</u>
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15.	Oper. Exp. as a % of Total Revenue	50.11%	45.86%	46.45%	48.89%	44.90%	2.78%	9.27%
16.	Net Plt. Investment per \$ of Revenue	\$1.65	\$1.59	\$1.70	\$1.67	\$1.62	0.46%	3.77%
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17.	Local Access Lines:							
18.	Residential	169	158	147	137	130	6.78%	6.96%
19.	Business	52	49	45	41	36	9.63%	6.12%
20.	Total Local Access Lines	<u>221</u>	<u>207</u>	<u>192</u>	<u>178</u>	<u>166</u>	<u>7.42%</u>	<u>6.76%</u>
21.	Total Access Lines:							
22.	Residential	169	158	147	137	130	6.78%	6.96%
23.	Business	52	49	45	41	37	8.88%	6.12%
24.	Total Access Lines	<u>221</u>	<u>207</u>	<u>192</u>	<u>178</u>	<u>167</u>	<u>7.26%</u>	<u>6.76%</u>
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25.	Estimated Overall Rate of Return	13.52%	16.01%	15.71%	14.29%	13.78%	-0.48%	-15.55%
26.	Estimated Return on Common Equity	14.90%	20.65%	20.90%	18.38%	17.57%	-4.04%	-27.85%
27.	Common Equity Ratio	65.39%	61.69%	60.78%	61.43%	61.33%	1.62%	6.00%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.24	7.24	6.45	7.61	7.84	-14.24%	-41.44%
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29.	LAST RATE CASE	Authorized Returns: Common Equity 13.20%, Overall 10.33%; Equity Ratio: 42.11%; Date of Order: 11-25-86						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 79% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports.  
[4] ALLETEL Carolina, Inc. has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1998. The data for ALLETEL Carolina, Inc. included herein will be updated annually beginning with the calendar year 1998.  
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$1,035,846	\$955,410	\$871,804	\$805,617	\$689,370	10.72%	8.42%
3.	Network Access	144,537	158,061	159,274	163,678	161,256	-2.70%	-8.56%
4.	Long Distance Message	35,137	42,476	49,446	64,674	106,379	-24.19%	-17.28%
5.	Miscellaneous	58,366	47,596	37,573	64,291	89,552	-10.15%	22.63%
6.	Uncollectibles	(9,102)	(6,300)	(13,684)	(12,559)	(5,880)	11.54%	44.48%
7.	Total Operating Revenue	1,284,784	1,197,243	1,104,413	1,105,701	1,040,877	5.00%	5.64%
8.	Operating Expenses	457,763	463,029	457,536	496,846	494,761	-1.92%	-1.14%
9.	Depreciation & Amortization	310,910	291,352	280,581	284,607	208,264	10.54%	6.71%
10.	Total Operating Taxes	200,530	166,120	184,263	125,641	139,563	9.48%	20.71%
11.	Total Expenses, Depr. & Taxes	969,203	920,501	912,380	907,094	842,588	3.50%	5.29%
12.	Other Operating (Income) & Expense	46	(530)	98	70	(51)	N/A	N/A
13.	Operating Income	\$295,535	\$277,272	\$191,935	\$198,537	\$198,140	10.51%	6.59%
14.	Net Plant Investment	\$1,869,982	\$1,863,734	\$1,864,967	\$1,852,897	\$1,893,522	-0.31%	0.34%
15.	Oper. Exp. as a % of Total Revenue	36.19%	38.67%	41.43%	44.93%	47.54%	-6.59%	-8.41%
16.	Net Plt. Investment per \$ of Revenue	\$1.48	\$1.56	\$1.69	\$1.68	\$1.82	-5.04%	-5.13%
17.	Local Access Lines:							
18.	Residential	1,667	1,600	1,524	1,449	1,396	4.54%	4.19%
19.	Business	694	686	657	598	543	6.33%	1.17%
20.	Total Local Access Lines	2,361	2,286	2,181	2,047	1,939	5.05%	3.28%
21.	Total Access Lines:							
22.	Residential	1,667	1,600	1,524	1,449	1,396	4.54%	4.19%
23.	Business	698	690	663	604	550	6.14%	1.16%
24.	Total Access Lines	2,365	2,290	2,187	2,053	1,946	5.00%	3.28%
25.	Estimated Overall Rate of Return	18.37%	17.19%	11.95%	12.46%	12.72%	9.62%	6.66%
26.	Estimated Return on Common Equity	27.75%	25.24%	16.15%	17.54%	16.94%	13.13%	9.94%
27.	Common Equity Ratio	55.12%	57.55%	57.38%	55.69%	58.65%	-1.54%	-4.22%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	9.08	9.30	7.30	6.62	6.71	7.86%	-2.37%
29.	LAST RATE CASE	Authorized Returns: Common Equity 15.00%, Overall 12.51%; Equity Ratio: 54.80%; Date of Order: 11-9-84						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 75% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports.  
[4] BellSouth Telecommunications, Inc. has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for BellSouth Telecommunications, Inc. included herein will be updated annually beginning with the calendar year 1996.  
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$392,091	\$380,990	\$338,306	\$309,556	\$259,741	10.84%	8.62%
3.	Network Access	86,775	89,806	88,775	91,084	86,173	0.17%	-3.16%
4.	Long Distance Message	24,172	24,438	32,804	39,116	67,623	-22.68%	-1.06%
5.	Miscellaneous	32,335	34,582	45,277	51,545	46,673	-8.77%	-6.50%
6.	Uncollectibles	(6,685)	(5,716)	(8,667)	(5,813)	(3,343)	18.83%	16.60%
7.	Total Operating Revenue	528,706	503,896	498,495	485,688	456,867	3.72%	4.92%
8.	Operating Expenses	281,128	259,881	250,852	256,783	234,038	4.69%	8.18%
9.	Depreciation & Amortization	134,988	129,687	123,863	117,404	95,023	9.17%	4.09%
10.	Total Operating Taxes	47,966	50,037	52,515	48,115	52,547	-2.25%	-4.14%
11.	Total Expenses, Depr. & Taxes	464,062	439,585	427,030	422,302	381,608	5.01%	5.57%
12.	Operating Income	\$64,646	\$64,313	\$71,465	\$63,386	\$75,259	-3.73%	0.52%
13.	Net Plant Investment	\$623,474	\$642,707	\$661,395	\$674,875	\$688,175	-2.44%	-2.99%
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14.	Oper. Exp. as a % of Total Revenue	53.17%	51.57%	50.32%	52.87%	51.23%	0.94%	3.10%
15.	Net Plt. Investment per \$ of Revenue	\$1.18	\$1.28	\$1.33	\$1.39	\$1.51	-5.94%	-7.54%
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16.	Local Access Lines:							
17.	Residential	881	844	813	792	762	3.69%	4.38%
18.	Business	297	284	259	230	208	9.31%	4.58%
19.	Total Local Access Lines	1,178	1,128	1,072	1,022	970	4.98%	4.43%
20.	Total Access Lines:							
21.	Residential	881	844	813	792	762	3.69%	4.38%
22.	Business	298	285	260	231	210	9.14%	4.56%
23.	Total Access Lines	1,179	1,129	1,073	1,023	972	4.85%	4.43%
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24.	Estimated Overall Rate of Return	12.36%	11.69%	12.53%	11.02%	13.07%	-1.39%	5.73%
25.	Estimated Return on Common Equity	15.96%	15.10%	16.59%	13.60%	16.36%	-0.65%	5.70%
26.	Common Equity Ratio	62.08%	62.09%	60.75%	62.23%	62.60%	-0.21%	-0.02%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	7.35	7.59	7.65	6.45	6.93	1.48%	-3.16%
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28.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 15.25%, Overall 11.82%; Equity Ratio: 48.40%; Date of Order: 3-30-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 74% of total North Carolina revenue, i.e., intrastate and interstate revenue.

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

[3] Source of Data: NCUC TS-1 Reports.

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

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$98,597	\$88,288	\$83,322	\$77,233	\$60,431	13.02%	11.68%
3.	Network Access	19,271	19,093	19,320	19,387	20,030	-0.96%	0.93%
4.	Long Distance Message	8,163	7,841	9,543	9,188	22,339	-22.25%	4.11%
5.	Miscellaneous	11,183	12,488	13,219	10,882	10,350	1.95%	-10.45%
6.	Uncollectibles	(1,337)	(1,773)	(1,559)	(1,015)	(732)	16.25%	-24.59%
7.	Total Operating Revenue	135,877	125,937	123,845	115,475	112,418	4.85%	7.89%
8.	Operating Expenses	77,567	70,238	70,435	72,780	68,124	3.30%	10.44%
9.	Depreciation & Amortization	23,066	21,629	21,262	20,823	13,911	13.48%	6.64%
10.	Total Operating Taxes	13,145	14,113	13,035	8,780	11,842	2.43%	-6.88%
11.	Total Expenses, Depr. & Taxes	113,778	105,978	104,732	102,383	93,977	4.90%	7.36%
12.	Operating Income	\$22,099	\$19,859	\$19,113	\$13,092	\$18,441	4.63%	10.72%
13.	Net Plant Investment	\$208,582	\$210,041	\$201,341	\$194,240	\$189,012	2.49%	-0.69%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	57.09%	55.77%	56.87%	63.03%	60.60%	-1.48%	2.36%
15.	Net Plt. Investment per \$ of Revenue	\$1.54	\$1.67	\$1.63	\$1.68	\$1.68	-2.25%	-7.96%
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16.	Local Access Lines:							
17.	Residential	204	196	190	185	179	3.32%	4.08%
18.	Business	73	70	63	58	52	8.85%	4.29%
19.	Total Local Access Lines	277	266	253	241	231	4.64%	4.14%
20.	Total Access Lines:							
21.	Residential	204	196	190	185	179	3.32%	4.08%
22.	Business	73	70	63	57	52	8.85%	4.29%
23.	Total Access Lines	277	266	253	242	231	4.64%	4.14%
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24.	Estimated Overall Rate of Return	N/A	12.84%	12.80%	8.86%	13.05%	N/A	N/A
25.	Estimated Return on Common Equity	N/A	12.39%	12.80%	8.40%	15.10%	N/A	N/A
26.	Common Equity Ratio	N/A	89.13%	88.21%	80.85%	65.95%	N/A	N/A
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	N/A	10.79	12.61	5.92	6.22	N/A	N/A
<hr/>								
28.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 15.50%, Overall 12.09%; Equity Ratio: 48.30%; Date of Order: 6-22-83						

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

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

[5] N/A denotes that the information to date has not been made available by the Company.

**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	
		June 2000 (b)	June 1999 (c)	June 1998 (d)	June 1997 (e)	June 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$4,897	\$4,727	\$4,467	\$4,137	\$3,589	8.08%	3.60%
3.	Network Access	3,667	3,735	3,490	3,007	2,748	7.50%	-1.82%
4.	Long Distance Message	1,278	1,187	1,150	1,129	1,615	-5.68%	7.67%
5.	Miscellaneous	931	883	834	813	812	3.48%	5.44%
6.	Uncollectibles	(11)	(19)	(28)	(32)	(10)	2.41%	-42.11%
7.	Total Operating Revenue	10,762	10,513	9,913	9,054	8,752	5.30%	2.37%
8.	Operating Expenses	4,422	4,099	3,919	3,750	3,743	4.28%	7.88%
9.	Depreciation & Amortization	1,639	2,496	2,674	1,994	2,069	-5.66%	-34.33%
10.	Total Operating Taxes	1,790	1,289	1,036	1,094	923	18.01%	38.87%
11.	Total Expenses, Depr. & Taxes	7,851	7,884	7,629	6,838	6,735	3.91%	-0.42%
12.	Operating Income	\$2,911	\$2,629	\$2,284	\$2,216	\$2,017	9.61%	10.73%
13.	Net Plant Investment	\$21,583	\$19,311	\$17,688	\$17,290	\$17,032	6.10%	11.77%
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14.	Oper. Exp. as a % of Total Revenue	41.09%	38.99%	39.53%	41.42%	42.77%	-1.00%	5.39%
15.	Net Plt. Investment per \$ of Revenue	\$2.01	\$1.84	\$1.78	\$1.91	\$1.95	0.76%	9.24%
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16.	Local Access Lines:							
17.	Residential	17	16	15	14	14	4.97%	6.25%
18.	Business	4	4	4	3	3	7.46%	0.00%
19.	Total Local Access Lines	21	20	19	17	17	5.42%	5.00%
20.	Total Access Lines:							
21.	Residential	17	16	15	14	14	4.97%	6.25%
22.	Business	4	4	4	3	3	7.46%	0.00%
23.	Total Access Lines	21	20	19	17	17	5.42%	5.00%
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24.	Estimated Overall Rate of Return	14.93%	14.10%	13.12%	13.29%	12.90%	3.72%	5.89%
25.	Estimated Return on Common Equity	18.79%	18.03%	16.96%	17.88%	19.15%	-0.47%	4.22%
26.	Common Equity Ratio	63.25%	59.95%	56.51%	53.34%	50.03%	6.04%	5.50%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.98	5.85	4.97	4.90	5.14	7.95%	19.32%
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28.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 12.70%, Overall 10.11%; Equity Ratio: 44.95%; Date of Order: 2-26-91						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 70% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$38,190	\$35,129	\$29,962	\$24,034	\$21,231	15.81%	8.71%
3.	Network Access	6,839	5,836	5,351	4,083	3,618	16.39%	13.76%
4.	Long Distance Message	4,739	4,937	7,113	8,713	5,748	-4.71%	-4.01%
5.	Miscellaneous	7,264	6,970	6,274	5,861	4,760	11.15%	4.22%
6.	Uncollectibles	(178)	(73)	(185)	(132)	(188)	1.46%	143.84%
7.	Total Operating Revenue	<u>56,654</u>	<u>52,799</u>	<u>48,535</u>	<u>42,559</u>	<u>35,189</u>	<u>12.64%</u>	<u>7.30%</u>
8.	Operating Expenses	28,107	27,025	24,581	24,155	15,683	15.70%	4.00%
9.	Depreciation & Amortization	11,532	11,968	6,881	7,700	9,238	5.70%	-3.64%
10.	Total Operating Taxes	7,810	6,544	7,739	5,077	4,790	13.00%	19.35%
11.	Total Expenses, Depr. & Taxes	<u>47,449</u>	<u>45,537</u>	<u>39,201</u>	<u>36,932</u>	<u>29,711</u>	<u>12.42%</u>	<u>4.20%</u>
12.	Operating Income	<u>\$9,205</u>	<u>\$7,282</u>	<u>\$9,334</u>	<u>\$5,627</u>	<u>\$5,478</u>	<u>13.85%</u>	<u>26.76%</u>
13.	Net Plant Investment	<u>\$64,987</u>	<u>\$60,644</u>	<u>\$63,801</u>	<u>\$52,383</u>	<u>\$44,072</u>	<u>10.20%</u>	<u>7.16%</u>
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14.	Oper. Exp. as a % of Total Revenue	49.61%	51.18%	50.65%	56.76%	44.57%	2.71%	-3.07%
15.	Net Plt. Investment per \$ of Revenue	\$1.15	\$1.15	\$1.31	\$1.23	\$1.25	-2.06%	0.00%
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16.	Local Access Lines:							
17.	Residential	88	84	79	76	73	4.78%	4.76%
18.	Business	25	24	23	21	18	8.56%	4.17%
19.	Total Local Access Lines	<u>113</u>	<u>108</u>	<u>102</u>	<u>97</u>	<u>91</u>	<u>5.56%</u>	<u>4.63%</u>
20.	Total Access Lines:							
21.	Residential	88	84	79	76	73	4.78%	4.76%
22.	Business	25	24	23	21	18	8.56%	4.17%
23.	Total Access Lines	<u>113</u>	<u>108</u>	<u>102</u>	<u>97</u>	<u>91</u>	<u>5.56%</u>	<u>4.63%</u>
<hr/>								
24.	Estimated Overall Rate of Return	18.12%	15.82%	20.39%	14.91%	16.49%	2.36%	14.54%
25.	Estimated Return on Common Equity	21.76%	18.21%	22.92%	16.04%	18.23%	4.52%	19.46%
26.	Common Equity Ratio	75.41%	78.06%	84.96%	88.35%	84.95%	-2.93%	-3.39%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	17.89	16.77	42.30	44.17	34.01	-14.84%	6.68%
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28.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 15.50%, Overall 12.11%; Equity Ratio: 58.59%; Date of Order: 6-17-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 77% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports.  
[4] Concord Telephone Company has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1997. The data for Concord Telephone Company included herein will be updated annually beginning with the calendar year 1997.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2000 (b)	June 1999 (c)	June 1998 (d)	June 1997 (e)	June 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$12,247	\$11,243	\$10,356	\$9,193	\$6,966	15.15%	8.93%
3.	Network Access	3,000	3,011	3,065	3,023	9,897	-25.80%	-0.37%
4.	Long Distance Message	451	392	548	649	1,853	-27.73%	15.05%
5.	Miscellaneous	3,699	3,329	3,148	2,753	3,109	4.44%	11.11%
6.	Uncollectibles	(167)	(175)	(134)	(135)	(92)	16.07%	-4.57%
7.	Total Operating Revenue	19,230	17,800	16,983	15,483	21,533	-2.79%	8.03%
8.	Operating Expenses	8,213	9,041	8,466	8,672	11,824	-8.71%	-9.16%
9.	Depreciation & Amortization	3,149	2,741	3,558	2,892	3,223	-0.58%	14.89%
10.	Total Operating Taxes	4,670	4,317	2,806	2,796	2,495	16.97%	8.18%
11.	Total Expenses, Depr. & Taxes	16,032	16,099	14,830	14,360	17,542	-2.23%	-0.42%
12.	Operating Income	\$3,198	\$1,701	\$2,153	\$1,123	\$3,991	-5.39%	86.01%
13.	Net Plant Investment	\$37,531	\$34,787	\$32,964	\$31,350	\$39,649	-1.36%	7.89%
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14.	Oper. Exp. as a % of Total Revenue	42.71%	50.79%	49.85%	56.01%	54.91%	-8.09%	-15.91%
15.	Net Plt. Investment per \$ of Revenue	\$1.95	\$1.95	\$1.94	\$2.02	\$1.84	1.46%	0.00%
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16.	Local Access Lines:							
17.	Residential	25	24	24	23	22	3.25%	4.17%
18.	Business	10	10	9	9	8	5.74%	0.00%
19.	Total Local Access Lines	35	34	33	32	30	3.93%	2.94%
20.	Total Access Lines:							
21.	Residential	25	24	24	23	22	3.25%	4.17%
22.	Business	10	10	9	9	8	5.74%	0.00%
23.	Total Access Lines	35	34	33	32	30	3.93%	2.94%
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24.	Estimated Overall Rate of Return	10.99%	6.14%	8.91%	4.75%	12.91%	-3.95%	78.99%
25.	Estimated Return on Common Equity	11.23%	5.98%	9.15%	3.90%	14.13%	-5.58%	87.79%
26.	Common Equity Ratio	93.09%	90.66%	84.11%	77.71%	79.75%	3.94%	2.68%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	45.93	29.88	16.63	9.12	12.86	37.47%	53.71%
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28.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 16.25%, Overall 12.77%; Equity Ratio: 37.22%; Date of Order: 6-14-82						

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



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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1999	December 1998	December 1997	December 1996	December 1995	Four Year	Current Year
		(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Operating Revenue:							
2.	Basic Local Service	\$2,754	\$2,313	\$2,096	\$1,873	\$1,701	12.80%	19.07%
3.	Network Access	3,717	3,106	3,419	2,831	2,538	10.01%	19.67%
4.	Long Distance Message	739	819	608	812	604	5.17%	-9.77%
5.	Miscellaneous	666	430	207	171	167	50.90%	101.40%
6.	Uncollectibles	29	23	(111)	(60)	(46)	N/A	26.09%
7.	Total Operating Revenue	8,105	6,691	6,219	5,227	4,964	13.04%	21.13%
8.	Operating Expenses	4,970	4,943	4,028	3,493	3,485	9.28%	0.55%
9.	Depreciation & Amortization	800	708	701	752	557	9.47%	12.86%
10.	Total Operating Taxes	802	303	544	355	176	46.11%	184.69%
11.	Total Expenses, Depr. & Taxes	6,572	5,954	5,273	4,600	4,218	11.72%	10.38%
12.	Operating Income	\$1,533	\$737	\$946	\$627	\$746	19.73%	108.01%
13.	Net Plant Investment	\$6,631	\$7,684	\$6,964	\$6,351	\$6,256	8.38%	12.32%
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14.	Oper. Exp. as a % of Total Revenue	61.32%	73.88%	64.77%	66.83%	70.21%	-3.33%	-17.00%
15.	Net Plt. Investment per \$ of Revenue	\$1.06	\$1.15	\$1.12	\$1.22	\$1.26	-4.23%	-7.83%
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16.	Local Access Lines:							
17.	Residential	9	8	7	7	6	10.67%	12.50%
18.	Business	3	2	2	2	2	10.67%	50.00%
19.	Total Local Access Lines	12	10	9	9	8	10.67%	20.00%
20.	Total Access Lines:							
21.	Residential	9	8	7	7	6	10.67%	12.50%
22.	Business	3	2	2	2	2	10.67%	50.00%
23.	Total Access Lines	12	10	9	9	8	10.67%	20.00%
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24.	Estimated Overall Rate of Return	17.95%	10.06%	15.01%	12.54%	12.01%	10.57%	78.43%
25.	Estimated Return on Common Equity	55.31%	12.74%	23.94%	18.10%	20.03%	28.91%	334.14%
26.	Common Equity Ratio	23.07%	25.06%	49.89%	47.08%	42.44%	-14.13%	-7.94%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.98	1.75	7.08	3.84	3.67	7.93%	184.57%
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28.	LAST RATE CASE	Authorized Returns: Common Equity 16.50%, Overall 5.92%; Equity Ratio:16.92%; Date of Order: 11-26-79						

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

**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	
		June 2000 (b)	June 1999 (c)	June 1998 (d)	June 1997 (e)	June 1996 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$34,086	\$30,761	\$28,311	\$25,550	\$19,869	14.74%	10.81%
3.	Network Access	30,818	29,596	28,674	27,873	26,737	3.62%	4.13%
4.	Long Distance Message	2,024	2,008	2,085	2,355	4,593	-18.52%	0.80%
5.	Miscellaneous	8,157	7,486	7,444	6,088	5,855	6.64%	8.96%
6.	Uncollectibles	(953)	(582)	(663)	(508)	(432)	21.87%	63.75%
7.	Total Operating Revenue	74,132	69,299	65,831	61,358	56,422	7.06%	7.02%
8.	Operating Expenses	31,207	30,518	27,952	26,087	26,515	4.16%	2.26%
9.	Depreciation & Amortization	13,707	13,526	16,216	10,710	12,404	2.53%	1.34%
10.	Total Operating Taxes	12,680	10,838	9,495	10,553	7,574	13.75%	17.00%
11.	Total Expenses, Depr. & Taxes	57,594	54,882	53,663	47,350	46,493	5.50%	4.94%
12.	Other Operating (Income) & Expense	(130)	(166)	(276)	43	(532)	-29.69%	-21.69%
13.	Operating Income	\$16,668	\$14,553	\$12,444	\$13,965	\$10,461	12.35%	14.53%
14.	Net Plant Investment	\$98,017	\$89,854	\$86,316	\$85,923	\$83,596	4.06%	9.08%
15.	Oper. Exp. as a % of Total Revenue	42.10%	44.06%	42.46%	42.52%	46.99%	-2.71%	-4.45%
16.	Net Plt. Investment per \$ of Revenue	\$1.32	\$1.30	\$1.31	\$1.40	\$1.48	-2.81%	1.93%
17.	Local Access Lines:							
18.	Residential	88	85	81	77	73	4.78%	3.53%
19.	Business	47	43	39	36	33	9.24%	9.30%
20.	Total Local Access Lines	135	128	120	113	106	6.23%	5.47%
21.	Total Access Lines:							
22.	Residential	88	85	81	77	73	4.78%	3.53%
23.	Business	47	43	39	36	33	9.24%	9.30%
24.	Total Access Lines	135	128	120	113	106	6.23%	5.47%
25.	Estimated Overall Rate of Return	18.26%	17.17%	15.66%	17.86%	14.44%	6.04%	6.35%
26.	Estimated Return on Common Equity	18.62%	17.62%	16.10%	16.51%	15.10%	5.38%	5.66%
27.	Common Equity Ratio	97.04%	95.87%	95.30%	94.50%	93.00%	1.07%	1.22%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	252.03	146.34	118.47	112.84	68.80	38.35%	72.22%
29.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity N/A, Overall N/A; Equity Ratio: N/A; Date of Order: 6-13-52						

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

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 1999 (b)	December 1998 (c)	December 1997 (d)	December 1996 (e)	December 1995 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$123,017	\$117,728	\$111,078	\$103,423	\$91,407	7.71%	4.48%
3.	Network Access	54,976	62,117	57,345	52,637	40,840	7.71%	-11.50%
4.	Long Distance Message	5,229	8,204	9,528	15,488	22,425	-30.51%	-15.72%
5.	Miscellaneous	17,215	18,249	15,993	14,049	14,227	4.88%	-5.87%
6.	Uncollectibles	(3,206)	(3,743)	(1,998)	(1,874)	(3,152)	0.43%	-14.35%
7.	Total Operating Revenue	197,231	200,555	191,946	183,723	185,747	4.44%	-1.68%
8.	Operating Expenses	93,150	100,885	90,819	88,905	82,367	3.12%	-7.48%
9.	Depreciation & Amortization	72,622	89,858	62,991	60,916	35,422	19.68%	3.98%
10.	Total Operating Taxes	14,374	8,108	13,584	13,882	20,898	-9.04%	57.82%
11.	Total Expenses, Depr. & Taxes	180,148	179,651	167,404	161,683	138,785	6.74%	0.28%
12.	Other Operating (Income) & Expense	119	60	21	62	(3)	N/A	98.33%
13.	Operating Income	\$16,988	\$20,844	\$24,521	\$21,978	\$26,985	-10.94%	-18.60%
14.	Net Plant Investment	\$331,987	\$340,852	\$351,888	\$355,008	\$355,020	-1.66%	-2.64%
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15.	Oper. Exp. as a % of Total Revenue	47.23%	50.20%	47.31%	47.30%	49.69%	-1.28%	-5.92%
16.	Net Plt. Investment per \$ of Revenue	\$1.88	\$1.70	\$1.83	\$1.93	\$2.14	-5.85%	-0.99%
<hr/>								
17.	Local Access Lines:							
18.	Residential	244	231	221	210	199	5.23%	5.63%
19.	Business	141	132	121	108	97	9.60%	6.82%
20.	Total Local Access Lines	385	363	342	318	296	6.78%	6.08%
21.	Total Access Lines:							
22.	Residential	244	231	221	210	199	5.23%	5.63%
23.	Business	251	214	198	184	136	16.58%	17.28%
24.	Total Access Lines	495	445	417	374	335	10.25%	11.24%
<hr/>								
25.	Estimated Overall Rate of Return	6.46%	6.74%	6.73%	7.80%	9.82%	-9.94%	-4.15%
26.	Estimated Return on Common Equity	4.36%	4.50%	6.62%	7.84%	11.17%	-20.96%	-3.11%
27.	Common Equity Ratio	55.81%	60.56%	63.23%	62.17%	58.20%	-1.04%	-7.84%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.23	1.81	3.58	3.46	4.45	-15.66%	23.20%
<hr/>								
29.	<b>LAST RATE CASE</b>	Authorized Returns: Common Equity 13.90%, Overall 11.82%; Equity Ratio: 50.00%; Date of Order: 9-16-86						

- Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 69% of total North Carolina revenue, i.e., intrastate and interstate revenue.  
[2] Net Plant Investment reflects net plant in service.  
[3] Source of Data: NCUC TS-1 Reports except for data on Lines 2 - 11 and Lines 17 - 24, Column (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] Verizon South Inc., formerly known as GTE South Incorporated, has elected price regulation. Under that election the information on which this report is based is filed on an annual calendar-year basis for reporting periods beginning after June 30, 1996. The data for Verizon South Inc. included herein will be updated annually beginning with the calendar year 1996.  
[5] On June 30, 2000, by amendment of its articles of incorporation, the name of GTE South Incorporated was changed to Verizon South Inc. as a result of the merger between GTE Corporation and Bell Atlantic Corporation, effective August 1, 2000.  
[6] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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