



State of North Carolina
Utilities Commission

4325 Mail Service Center
Raleigh, NC 27699-4325

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

COMMISSIONERS
SAM J. ERVIN, IV
LORINZO L. JOYNER
JAMES Y. KERR, II
MICHAEL (MIKE) S. WILKINS

January 16, 2004

TO: Jo Anne Sanford, Chair
Commissioner J. Richard Conder
Commissioner Robert V. Owens, Jr.
Commissioner Sam J. Ervin, IV
Commissioner Lorinzo L. Joyner
Commissioner James Y. Kerr, II
Commissioner Michael S. Wilkins

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

The Operations Division hereby presents for your consideration the *Quarterly Review* for the calendar quarter ending June 30, 2003. Such report, which has been prepared by the Operations Division, presents an overview of selected financial and operational information and data for 17 major investor-owned public utilities regulated by the Commission.

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/dhh

Table of Contents

Part		Page
I	<i>Introduction</i>	1
II	<i>Review of Key Financial Ratios:</i>	6
	▣ <i>Summary Statement of Key Financial Ratios For 17 Selected Companies For The Twelve Months Ended June 30, 2003 — Returns on Common Equity, Overall Rates of Return, Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios — And Certain Rate Case Data</i>	7
	▣ <i>Statement of Authorized Returns on Common Equity and Overall Rates of Return Granted By Various Public Utility Regulatory Agencies As Reported By <u>Public Utilities Reports</u>, Volume Nos. 218-226, from October 2002 Through August 2003</i>	10
III	<i>Overviews of Selected Financial and Operational Data By Utility:</i>	12
	▣ <i>Electric Companies:</i>	
	▪ <i>Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.</i>	13
	▪ <i>Dominion North Carolina Power</i>	14
	▪ <i>Duke Power, a Division of Duke Energy Corporation</i>	15
	▪ <i>Nantahala Power and Light Company</i>	16
	▣ <i>Natural Gas Local Distribution Companies:</i>	
	▪ <i>North Carolina Natural Gas Corporation</i>	17
	▪ <i>Piedmont Natural Gas Company, Inc.</i>	18
	▪ <i>Public Service Company of North Carolina, Inc.</i>	19
	▣ <i>Telecommunications Companies:</i>	
	▪ <i>ALLTEL Carolina, Inc.</i>	20
	▪ <i>BellSouth Telecommunications, Inc.</i>	21
	▪ <i>Carolina Telephone and Telegraph Company</i>	22
	▪ <i>Central Telephone Company</i>	23

Table of Contents — continued

<i>Part</i>		<i>Page</i>
III	<i>Overviews of Selected Financial and Operational Data — continued:</i>	
	▣ <i>Telecommunications Companies — continued:</i>	
	▪ <i>Citizens Telephone Company</i>	<i>24</i>
	▪ <i>Concord Telephone Company</i>	<i>25</i>
	▪ <i>LEXCOM Telephone Company</i>	<i>26</i>
	▪ <i>MEBTEL Communications</i>	<i>27</i>
	▪ <i>North State Communications</i>	<i>28</i>
	▪ <i>Verizon South Inc.</i>	<i>29</i>
IV	<i>Appendix A - Distribution List</i>	

Part I

Introduction

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

The *Quarterly Review* has been designed and is structured so as to provide, in a clear and concise format, relevant and useful financial and operational information pertaining to 17 major investor-owned public utilities regulated by the North Carolina Utilities Commission (Commission): four electric companies, three natural gas local distribution companies, and ten telecommunications companies. The primary focus of this report is one of a jurisdictional financial nature. However, albeit limited, certain jurisdictional operational information is also included.

To a vast extent the information presented herein is organized into individual company overviews. The data presented covers a period of five years. 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 an added measure of meaning to the aforesaid ratios of the individual companies and in the interest of providing a sense of current financial market conditions, certain financial information has been included herein as notes to the first statement included in Part II of this report. Such notes are an integral part of this report. Additionally, also from the standpoint of providing perspective, returns on common equity and overall rates of return currently being authorized by a number of other public utility regulatory agencies are provided in the second statement presented in Part II.

A Final Note

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

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

Part II

A Review of Key Financial Ratios

- ▣ ***Summary Statement of Key Financial Ratios For 17 Selected Companies For The Twelve Months Ended June 30, 2003 — 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. 218-226 from October 2002 Through August 2003***

**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, 2003, Except for Certain Telecommunications Companies - See Note [1]"

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

Item (a)	Estimated for 12 Months Ended 6/30/03				Authorized - Last Rate Case			
	Return On Equity (b)	Overall Rate of Return (c)	Equity Ratio (d)	Pre-tax Interest Coverage Ratio (e)	Return On Equity (f)	Overall Rate of Return (g)	Equity Ratio (h)	Date of Last Order (i)
Electric Companies								
Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.	11.57%	8.84%	50.78%	4.75	12.75%	10.45%	44.00%	08/05/88
Dominion North Carolina Power	15.84%	11.03%	48.27%	5.36	11.80%	9.46%	44.82%	02/26/93
Duke Power, a Division of Duke Energy Corporation	14.43%	10.83%	55.77%	6.11	12.50%	10.44%	49.82%	11/12/91
Nantahala Power and Light Company	8.88%	8.90%	85.62%	4.02	12.10%	10.32%	56.11%	06/18/93
Natural Gas Local Distribution Companies								
North Carolina Natural Gas Corporation	1.82%	4.04%	50.80%	1.51	N/A	10.09%	N/A	10/27/95
Piedmont Natural Gas Company, Inc.	10.09%	8.88%	54.18%	3.62	11.30%	9.70%	52.71%	10/05/00
Public Service Company of North Carolina, Inc.	10.48%	8.37%	47.84%	3.41	11.40%	9.82%	51.91%	10/30/98
Telecommunications Companies								
* ALLTEL Carolina, Inc.	18.82%	17.28%	75.81%	5.73	13.20%	10.33%	42.11%	11/25/86
* BellSouth Telecommunications, Inc.	18.34%	11.81%	58.65%	8.96	15.00%	12.51%	54.80%	11/09/84
* Carolina Telephone and Telegraph Company	21.26%	14.62%	60.39%	12.61	15.25%	11.82%	48.40%	03/30/83
* Central Telephone Company	16.18%	14.46%	79.14%	13.39	15.50%	12.09%	48.30%	06/22/83
Citizens Telephone Company	17.25%	14.64%	70.61%	8.47	12.70%	10.11%	44.95%	02/26/91
* Concord Telephone Company	18.42%	14.46%	89.15%	14.14	15.50%	12.11%	58.59%	06/17/83
LEXCOM Telephone Company	13.28%	13.10%	86.70%	114.17	16.25%	12.77%	37.22%	06/14/82
* MEBTEL Communications	13.85%	13.85%	100.00%	0.00	16.50%	5.92%	16.92%	11/26/79
* North State Telephone Company	13.57%	13.42%	97.82%	289.99	N/A	N/A	N/A	06/13/52
* Verizon South Inc.	7.39%	7.60%	44.56%	2.13	13.90%	11.82%	50.00%	09/16/86

S:

- * [1] Companies electing price regulation are denoted above with an asterisk. For those companies, with the exception of Concord Telephone Company, ALLTEL Carolina, Inc., MEBTEL Communications, and North State Telephone Company, the data for such companies included herein is updated annually beginning with the calendar year 1998. The data for Concord Telephone Company is updated annually beginning with the calendar year 1997. The data for ALLTEL Carolina, Inc. is updated annually beginning with the calendar year 1998. The data for MEBTEL Communications is updated annually beginning with the calendar year 1999. The data for North State Telephone Company is updated annually beginning with the calendar year 2003.
- [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] North Carolina Gas Service, Division of NUI is no longer listed in this report. The Company has been purchased by Piedmont Natural Gas Company, Inc., effective March 13, 2003.
- [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, 2003, Except for Certain Telecommunications Companies - See Note [1]"

NOTES - continued

NOTES: [6] Standard and Poor's 1994 annual "Global Sector Review" reflects the following benchmark-ratio ranges for total debt capitalization ratios and pre-tax interest coverage ratios for electric utilities and natural gas local distribution companies; telecommunications utilities are not included in that publication:

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

[6] Selected financial market indicators from "Moody's Credit Perspectives", Volume 96, No. 44, November 3, 2003 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 24, 2003	0.93	4.21	5.10	1.06	6.26
2.	October 27, 2003	0.95	4.26	5.13	1.06	6.30
3.	October 28, 2003	0.94	4.18	5.09	1.07	6.25
4.	October 29, 2003	0.94	4.30	5.18	1.06	6.31
5.	October 30, 2003	0.96	4.35	5.20	1.09	6.34
6.	Month of September 2003	0.94	4.26	5.14	1.06	6.37
7.	Month of August 2003	0.95	4.43	5.30	1.06	6.58

Part II						
Moody's public utility long-term bond yield averages (%):						
Line No.	Rating (a)	10/30/03 (b)	Past 12-Months		Monthly	
			High (c)	Low (d)	Sep. 2003 (e)	Aug. 2003 (f)
1.	Aaa	-	-	-	-	-
2.	Aa	6.32	7.07	6.12	6.30	6.48
3.	A	6.45	7.23	6.21	6.56	6.79

* According to "Moody's Credit Perspectives", Volume 96, No. 21 as of 12/10/01 the "Aaa" Utilities Index will be discontinued indefinitely.

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

"Estimated Returns on Common Equity, Overall Rates of Return,
Common Equity Capitalization Ratios, and Pre-tax Interest Coverage Ratios are for
Twelve Months Ended June 30, 2003, Except for Certain Telecommunications Companies - See Note [1]"

NOTES - continued

NOTES: [6] Selected financial market indicators from "Moody's Credit Perspectives", Volume 96, No. 44, November 3, 2003 follow - continued:

Part III

New offerings by public utilities - listing is all inclusive for week of November 3, 2003:

Line No.	Company Name (a)	Amount (b)	Term (c)	Yield		Rating (f)
				Current (d)	Maturity (e)	
1.	Florida Power & Light Company	\$300 Million	30 Years	5.950%	6.000%	Aa3
2.	Interstate Power and Light Company	\$100 Million	30 Years	6.450%	6.500%	Baa1
3.	Southern California Gas Company	\$250 Million	15 Years	5.450%	5.480%	A1

**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. 218-226, from October 2002 through August 2003**

(Statement is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns		Date Of Order (d)	Volume No. Public Utilities Reports (e)
		Common Equity (b)	Overall (c)		
Electric Companies					
1.	Sierra Pacific Power Company (NV)	10.17%	8.61%	05/28/02	Volume 218
2.	Gulf Power Company (FL)	12.00%	N/A	06/10/02	Volume 218
3.	Savannah Electric and Power Company (GA)	12.00%	N/A	05/30/02	Volume 218
4.	Wisconsin Public Service Corporation (WI)	12.30%	9.71%	06/21/02	Volume 218
5.	Citizens Energy Services (VT)	5.75%	N/A	07/15/02	Volume 220
6.	Wisconsin Electric Power Company (WI)	11.00%	8.14%	09/16/02	Volume 221
7.	PacificCorp (WY)	10.75%	8.45%	03/08/03	Volume 224
8.	South Carolina Electric and Gas Company (SC)	12.45%	9.94%	01/31/03	Volume 225
9.	Interstate Power and Light Company (IA)	11.15%	N/A	04/15/03	Volume 225
Natural Gas Local Distribution Companies					
10.	Wisconsin Public Service Corporation (WI)	12.30%	9.71%	06/21/02	Volume 218
11.	MidAmerican Energy Company (IL)	11.20%	8.85%	09/11/02	Volume 220
12.	Washington Gas Light Company (MD)	N/A	8.75%	09/27/02	Volume 221
13.	Washington Gas Light Company (DC)	10.60%	8.83%	10/29/02	Volume 221
14.	Consumers Energy Company (MI)	11.40%	7.45%	11/07/02	Volume 221
15.	Montana-Dakota Utilities Company (ND)	11.33%	N/A	12/18/02	Volume 222
16.	People's Gas System (FL)	11.25%	8.83%	01/06/03	Volume 222
17.	Midwest Energy, Inc. (KS)	11.66%	7.63%	01/22/03	Volume 223
18.	Madison Gas and Electric Company (WI)	12.30%	9.71%	02/28/03	Volume 224
19.	SEMCO Energy Gas Company (MI)	11.40%	N/A	05/02/03	Volume 225
20.	Interstate Power and Light Company (IA)	11.05%	N/A	05/15/03	Volume 225

**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. 218-226, from October 2002 through August 2003**

(Statement Is All Inclusive With Respect To Returns Published)

Line No.	Company (Jurisdiction) (a)	Authorized Returns		Date Of Order (d)	Volume No. Public Utilities Reports (e)
		Common Equity (b)	Overall (c)		
Water Companies					
21.	Philadelphia Suburban Water Company (PA)	10.70%	8.77%	08/01/02	Volume 219
22.	Artesian Water Company, Inc. (DE)	10.50%	8.75%	04/15/03	Volume 225
23.	Valencia Water Company (CA)	9.72%	9.20%	05/08/03	Volume 225

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

Part III

Overviews of Selected Financial and Operational Data By Utility:

▣ *Electric Companies*

- *Carolina Power & Light Company, d/b/a
Progress Energy Carolinas, Inc.*
- *Dominion North Carolina Power*
- *Duke Power, a Division of Duke Energy Corporation*
- *Nantahala Power and Light Company*

▣ *Natural Gas Local Distribution Companies*

- *North Carolina Natural Gas 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*
- *LEXCOM Telephone Company*
- *MEBTEL Communications*
- *North State Communications*
- *Verizon South Inc.*

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2003 (b)	June 2002 (c)	June 2001 (d)	June 2000 (e)	June 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$2,593,319	\$2,412,131	\$2,379,508	\$2,301,205	\$2,247,489	3.64%	7.51%
2.	Operating Expenses:							
3.	Fuel	596,968	488,367	455,807	420,882	416,445	9.42%	22.24%
4.	Purchased Power	236,029	248,224	250,383	245,344	275,214	-3.77%	-4.91%
5.	Maintenance	173,516	150,747	141,480	181,548	142,817	4.99%	15.10%
6.	Other Operating Expenses	420,420	399,744	395,286	385,728	328,498	8.36%	5.17%
7.	Total Operating Expenses	1,426,933	1,287,082	1,242,916	1,193,500	1,162,974	5.25%	10.87%
8.	Depreciation & Amortization	412,165	385,765	533,438	377,386	357,044	3.65%	6.64%
9.	Total Expenses & Depreciation	1,839,098	1,672,847	1,776,354	1,570,886	1,520,018	4.88%	9.94%
10.	Total Operating Taxes	360,657	340,245	285,619	343,790	352,116	0.61%	6.06%
11.	Total Expenses, Depr. & Taxes	2,199,955	2,013,092	2,061,973	1,914,676	1,872,134	4.12%	9.28%
12.	Operating Income	\$393,364	\$399,039	\$317,535	\$386,529	\$375,335	1.18%	-1.42%
13.	Net Plant Investment	\$4,628,508	\$4,386,397	\$4,339,365	\$4,323,272	\$4,302,881	1.84%	6.00%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	55.02%	53.36%	52.23%	51.86%	51.75%	1.54%	3.11%
15.	Net Plt. Investment per \$ of Revenue	\$1.78	\$1.81	\$1.82	\$1.88	\$1.91	-1.75%	-1.66%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	988	949	928	900	877	2.50%	2.00%
18.	Commercial	170	167	163	157	153	2.67%	1.80%
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	1144	1122	1095	1063	1038	2.51%	1.86%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	13,491	12,215	12,534	11,897	11,400	4.30%	10.45%
24.	Commercial	10,870	10,377	10,180	9,732	9,261	4.09%	4.75%
25.	Industrial	9,747	9,918	10,608	11,135	11,313	-3.66%	-1.70%
26.	Other	5,039	3,957	3,852	4,860	4,855	0.93%	27.34%
27.	Total Sales	39,147	36,485	36,952	37,624	36,829	1.54%	7.35%
<hr/>								
28.	Estimated Overall Rate of Return	8.84%	9.32%	7.95%	9.75%	9.52%	-1.84%	-5.15%
29.	Estimated Return on Common Equity	11.57%	12.02%	9.01%	12.26%	11.70%	-0.28%	-3.74%
30.	Common Equity Ratio	50.79%	48.64%	48.62%	55.46%	56.68%	-2.71%	4.42%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.75	4.18	3.40	5.30	5.44	-3.33%	13.64%
<hr/>								
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.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		June 2003 (b)	June 2002 (c)	June 2001 (d)	June 2000 (e)	June 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$281,225	\$248,676	\$244,262	\$226,279	\$217,172	4.73%	5.05%
2.	Operating Expenses:							
3.	Fuel	41,903	46,210	36,720	35,953	29,553	9.12%	-9.32%
4.	Purchased Power	62,807	45,324	49,829	50,707	50,853	5.42%	38.57%
5.	Maintenance	0	0	0	0	13,286	N/A	N/A
6.	Other Operating Expenses	<u>43,343</u>	<u>51,959</u>	<u>54,055</u>	<u>48,997</u>	<u>31,574</u>	<u>8.24%</u>	<u>-16.58%</u>
7.	Total Operating Expenses	148,053	143,493	140,604	135,657	125,266	4.27%	3.18%
8.	Depreciation & Amortization	<u>24,034</u>	<u>29,438</u>	<u>27,000</u>	<u>24,140</u>	<u>24,554</u>	<u>-0.53%</u>	<u>-18.36%</u>
9.	Total Expenses & Depreciation	172,087	172,931	167,604	159,797	149,820	3.52%	-0.49%
10.	Total Operating Taxes	<u>38,357</u>	<u>35,597</u>	<u>38,693</u>	<u>31,017</u>	<u>28,815</u>	<u>7.80%</u>	<u>7.75%</u>
11.	Total Expenses, Depr. & Taxes	210,444	208,528	204,297	190,814	178,435	4.21%	0.82%
12.	Operating Income	<u>\$50,781</u>	<u>\$40,148</u>	<u>\$39,985</u>	<u>\$35,465</u>	<u>\$38,737</u>	<u>7.00%</u>	<u>26.48%</u>
13.	Net Plant Investment	<u>\$518,391</u>	<u>\$409,272</u>	<u>\$425,343</u>	<u>\$401,868</u>	<u>\$407,906</u>	<u>8.18%</u>	<u>28.68%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	56.88%	57.70%	57.56%	59.95%	57.68%	-0.44%	-1.77%
15.	Net Plt. investment per \$ of Revenue	\$1.98	\$1.85	\$1.74	\$1.78	\$1.88	1.30%	20.00%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	96	95	93	91	90	1.63%	1.05%
18.	Commercial	15	15	14	14	14	1.74%	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>113</u>	<u>112</u>	<u>109</u>	<u>107</u>	<u>106</u>	<u>1.61%</u>	<u>0.89%</u>
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	1,454	1,272	1,375	1,254	1,191	5.11%	14.31%
24.	Commercial	749	709	702	673	651	3.57%	5.64%
25.	Industrial	1,617	1,530	1,339	1,215	1,185	8.08%	5.69%
26.	Other	<u>148</u>	<u>132</u>	<u>137</u>	<u>127</u>	<u>127</u>	<u>3.90%</u>	<u>12.12%</u>
27.	Total Sales	<u>3,968</u>	<u>3,643</u>	<u>3,553</u>	<u>3,269</u>	<u>3,154</u>	<u>5.91%</u>	<u>8.82%</u>
<hr/>								
28.	Estimated Overall Rate of Return	11.03%	9.69%	9.64%	9.09%	9.35%	4.22%	13.83%
29.	Estimated Return on Common Equity	15.94%	13.43%	12.62%	11.26%	11.88%	7.63%	18.69%
30.	Common Equity Ratio	48.27%	46.52%	47.16%	48.18%	48.89%	0.73%	3.78%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.38	4.88	4.53	4.33	4.00	7.59%	15.02%
<hr/>								
32.	LAST RATE CASE	Authorized Returns: Common Equity 11.80%, Overall 9.48%; Equity Ratio: 44.82%; Date of Order: 2-26-93						

Notes: [1] North Carolina retail jurisdictional revenue equates to 5% of total company electric utility revenue.

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

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

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

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 2003 (b)	June 2002 (c)	June 2001 (d)	June 2000 (e)	June 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$3,447,283	\$3,209,888	\$3,232,448	\$3,089,262	\$2,994,817	3.58%	7.40%
2.	Operating Expenses:							
3.	Fuel	585,774	501,812	486,786	443,520	447,884	8.01%	12.79%
4.	Purchased Power	291,807	283,888	311,781	281,281	283,868	2.54%	2.88%
5.	Maintenance	370,288	293,051	306,436	287,311	275,412	7.88%	28.35%
6.	Other Operating Expenses	<u>648,095</u>	<u>685,544</u>	<u>888,807</u>	<u>883,270</u>	<u>598,288</u>	2.03%	-5.75%
7.	Total Operating Expenses	1,873,944	1,763,893	1,793,770	1,895,382	1,583,650	4.30%	8.24%
8.	Depreciation & Amortization	471,841	414,172	387,789	384,471	351,481	7.83%	13.88%
9.	Total Expenses & Depreciation	2,345,585	2,178,065	2,181,539	2,059,833	1,935,131	4.93%	7.89%
10.	Total Operating Taxes	489,703	462,861	478,944	475,075	483,151	-0.70%	1.52%
11.	Total Expenses, Depr. & Taxes	2,815,288	2,640,726	2,660,483	2,534,908	2,418,282	3.87%	8.61%
12.	Operating Income	<u>983,995</u>	<u>969,140</u>	<u>957,885</u>	<u>954,354</u>	<u>958,535</u>	2.32%	11.04%
13.	Net Plant Investment	<u>\$7,033,642</u>	<u>\$6,613,383</u>	<u>\$6,471,513</u>	<u>\$6,182,413</u>	<u>\$6,203,208</u>	3.19%	8.35%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	54.36%	54.95%	55.49%	54.88%	52.88%	0.89%	-1.07%
15.	Net Plt. Investment per \$ of Revenue	\$2.04	\$2.06	\$2.00	\$2.00	\$2.07	-0.38%	-0.97%
<hr/>								
16.	Number of Customers Served:							
17.	Residential	1,368	1,369	1,332	1,307	1,275	1.78%	-0.07%
18.	Commercial	220	219	212	209	204	1.91%	0.48%
19.	Industrial	8	8	8	8	7	-3.78%	0.00%
20.	Other	<u>9</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>7</u>	6.48%	12.50%
21.	Total Number of Customers	1,803	1,802	1,558	1,530	1,493	1.79%	0.08%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	18,258	17,041	17,228	16,598	16,131	3.14%	7.14%
24.	Commercial	18,860	18,457	17,916	17,378	16,494	3.41%	2.18%
25.	Industrial	15,428	15,478	16,928	17,748	17,793	-3.50%	-0.32%
26.	Other	<u>3,855</u>	<u>218</u>	<u>238</u>	<u>232</u>	<u>222</u>	101.43%	1578.81%
27.	Total Sales	56,201	51,184	52,306	51,958	50,640	2.84%	8.78%
<hr/>								
28.	Estimated Overall Rate of Return	10.63%	9.79%	10.17%	10.10%	10.59%	0.09%	8.58%
29.	Estimated Return on Common Equity	14.43%	12.48%	12.50%	12.30%	13.48%	1.75%	15.63%
30.	Common Equity Ratio	55.77%	61.25%	58.44%	58.78%	58.06%	-0.13%	-8.95%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	6.11	7.02	5.84	5.67	5.62	2.11%	-12.86%
<hr/>								
32.	LAST RATE CASE	Authorized Returns: Common Equity 12.50%, Overall 10.44%; Equity Ratio: 49.82%; Date of Order: 11-12-91						

Notes: [1] North Carolina retail jurisdictional revenue equates to 70% of total company electric utility revenue.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC ES-1 Reports.
[4] This schedule reflects certain revised data for 1999 - 2001, as provided by Duke Power.

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	
		June 2003 (b)	June 2002 (c)	June 2001 (d)	June 2000 (e)	June 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue	\$79,274	\$73,885	\$72,906	\$67,669	\$64,817	5.16%	7.29%
2.	Operating Expenses:							
3.	Purchased Power - Special Contract	0	0	0	0	9	N/A	N/A
4.	Purchased Power - Regular	34,584	31,174	30,843	27,194	25,506	7.91%	10.94%
5.	Maintenance	7,156	8,362	5,905	5,021	5,289	7.85%	12.46%
6.	Other Operating Expenses	7,972	10,406	8,625	8,362	7,507	1.51%	-23.39%
7.	Total Operating Expenses	49,712	47,942	45,373	40,577	38,311	6.73%	3.68%
8.	Depreciation & Amortization	8,233	7,583	6,788	6,253	5,891	8.73%	8.57%
9.	Total Expenses & Depreciation	57,945	55,525	52,139	46,830	44,202	7.00%	4.36%
10.	Total Operating Taxes	9,388	7,271	8,473	8,950	9,216	0.46%	29.12%
11.	Total Expenses, Depr. & Taxes	67,333	62,796	60,612	55,780	53,418	5.98%	7.22%
12.	Operating Income	\$11,941	\$11,089	\$12,294	\$11,669	\$11,399	1.17%	7.88%
13.	Net Plant Investment	\$180,760	\$173,880	\$165,280	\$151,090	\$143,744	7.33%	9.71%
14.	Oper. Exp. as a % of Total Revenue	62.71%	64.89%	62.23%	59.96%	59.11%	1.49%	-3.36%
15.	Net Plt. Investment per \$ of Revenue	\$2.41	\$2.35	\$2.27	\$2.23	\$2.22	2.07%	2.55%
16.	Number of Customers Served:							
17.	Residential	59	57	56	55	52	3.21%	3.51%
18.	Commercial	7	7	7	7	7	0.00%	0.00%
19.	Industrial	0	0	0	0	0	N/A	N/A
20.	Other	0	0	0	0	0	N/A	N/A
21.	Total Number of Customers	66	64	63	62	59	2.84%	3.13%
22.	Annual Sales Volume: (Millions kWh)							
23.	Residential	591	552	559	525	495	4.53%	7.07%
24.	Commercial	422	398	379	366	345	5.17%	6.57%
25.	Industrial	118	118	127	140	137	-3.66%	0.00%
26.	Other	2	2	2	2	2	0.00%	0.00%
27.	Total Sales	1,133	1,068	1,067	1,033	979	3.72%	6.09%
28.	Estimated Overall Rate of Return	6.90%	6.78%	8.09%	8.47%	8.57%	-5.27%	1.77%
29.	Estimated Return on Common Equity	6.66%	6.44%	8.59%	9.28%	9.56%	-6.97%	3.42%
30.	Common Equity Ratio	65.62%	62.54%	59.83%	56.72%	53.45%	5.26%	4.92%
31.	Estimated Pre-tax Interest Coverage Ratio (Times)	4.02	3.30	3.82	3.74	3.46	3.82%	21.82%
32.	LAST RATE CASE	Authorized Returns: Common Equity 12.10%, Overall 10.32%; Equity Ratio: 56.11%; Date of Order: 6-18-93						

Notes: [1] North Carolina retail jurisdictional revenue equates to 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 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 2003 (b)	June 2002 (c)	June 2001 (d)	June 2000 (e)	June 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$68,493	\$50,897	\$81,119	N/A	N/A	N/A	34.57%
3.	Commercial	48,827	38,130	58,232	N/A	N/A	N/A	29.05%
4.	Industrial	113,543	51,088	100,915	N/A	N/A	N/A	122.21%
5.	Public Authorities	2,122	1,708	2,824	N/A	N/A	N/A	24.38%
6.	Resale	44,812	14,839	39,347	N/A	N/A	N/A	200.64%
7.	Other	<u>99,995</u>	<u>107,794</u>	<u>111,395</u>	N/A	N/A	N/A	-7.24%
8.	Total Operating Revenue	<u>375,392</u>	<u>262,484</u>	<u>391,832</u>	N/A	<u>183,898</u>	N/A	<u>43.03%</u>
9.	Cost of Gas	<u>286,543</u>	<u>179,446</u>	<u>324,693</u>	N/A	<u>91,188</u>	N/A	<u>59.88%</u>
10.	Margin	88,849	83,018	67,139	N/A	72,710	N/A	7.02%
11.	O & M Expenses	172,962	48,085	42,332	N/A	23,408	N/A	275.47%
12.	Other Deductions	<u>27,542</u>	<u>25,226</u>	<u>25,498</u>	N/A	<u>28,972</u>	N/A	<u>9.18%</u>
13.	Operating Income	<u>(\$111,855)</u>	<u>\$11,727</u>	<u>(\$691)</u>	N/A	<u>\$20,330</u>	N/A	N/A
14.	Net Plant Investment	<u>\$377,733</u>	<u>\$352,174</u>	<u>\$299,142</u>	N/A	<u>\$209,137</u>	N/A	<u>7.28%</u>
15.	Operating Exp. as a % of Margin	194.67%	55.49%	63.05%	N/A	32.19%	58.82%	250.82%
16.	Net Plt. Investment per \$ of Margin	\$4.25	\$4.24	\$4.46	N/A	\$2.88	10.22%	0.24%
17.	Gas Delivered in DTs:							
18.	Residential	7,159	5,486	7,015	N/A	N/A	N/A	30.50%
19.	Commercial	5,927	4,975	5,956	N/A	N/A	N/A	19.14%
20.	Industrial	20,089	13,015	14,786	N/A	N/A	N/A	54.20%
21.	Public Authorities	288	232	288	N/A	N/A	N/A	15.52%
22.	Resale	7,313	2,582	4,855	N/A	N/A	N/A	183.23%
23.	Other	<u>23,641</u>	<u>32,711</u>	<u>19,249</u>	N/A	N/A	N/A	<u>-27.73%</u>
24.	Total DTs	<u>64,377</u>	<u>59,001</u>	<u>52,127</u>	N/A	N/A	N/A	<u>9.11%</u>
25.	Number of Customers:							
26.	Residential	104	104	100	N/A	N/A	N/A	0.00%
27.	Commercial	14	14	14	N/A	N/A	N/A	0.00%
28.	Industrial	0	0	0	N/A	N/A	N/A	N/A
29.	Public Authorities	4	4	4	N/A	N/A	N/A	0.00%
30.	Resale	57	58	54	N/A	N/A	N/A	1.79%
31.	Other	0	0	0	N/A	N/A	N/A	N/A
32.	Total Number of Customers	<u>178</u>	<u>178</u>	<u>172</u>	N/A	N/A	N/A	<u>0.58%</u>
33.	Estimated Overall Rate of Return	4.04%	4.83%	4.81%	9.86%	10.15%	-20.57%	-16.36%
34.	Estimated Return on Common Equity	1.82%	2.80%	2.39%	12.92%	11.88%	-37.44%	-35.00%
35.	Common Equity Ratio	50.80%	48.64%	45.19%	51.93%	59.93%	-4.05%	4.44%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	1.51	1.64	1.41	4.46	4.79	-25.07%	-7.93%
37.	LAST RATE CASE	Authorized Returns: Common Equity N/A, Overall 10.09%; Equity Ratio: N/A; Date of Order: 10-27-95						

Notes: [1] Rates are set on a total company basis.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: Shareholders' Reports and the NCLC GS-1 Reports.
[4] Data provided on Lines 33-36, Columns (b), (c), and (d), 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 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	
		June 2003 (b)	June 2002 (c)	June 2001 (d)	June 2000 (e)	June 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$311,306	\$219,319	\$321,554	\$204,719	\$173,588	15.72%	41.94%
3.	Commercial	154,070	103,430	188,705	111,571	87,832	15.15%	48.98%
4.	Industrial	42,880	31,481	83,289	113,026	67,223	-10.84%	38.15%
5.	Public Authorities	502	477	2,851	2,778	2,885	-34.12%	5.24%
6.	Resale	9	5	0	0	0	N/A	80.00%
7.	Other	28,424	25,158	17,998	17,712	78,628	-23.86%	5.03%
8.	Total Operating Revenue	535,171	379,870	604,187	448,808	409,734	8.90%	40.88%
9.	Cost of Gas	334,020	193,985	421,720	272,928	218,082	11.25%	72.19%
10.	Margin	201,151	185,885	182,477	176,880	191,652	1.22%	8.21%
11.	O & M Expenses	85,584	77,892	78,504	72,245	69,459	5.36%	9.88%
12.	Other Deductions	60,473	58,125	52,245	53,497	65,899	-2.13%	7.75%
13.	Operating Income	\$55,094	\$51,888	\$51,728	\$51,138	\$58,284	-0.54%	8.22%
14.	Net Plant Investment	\$640,446	\$612,901	\$584,518	\$557,448	\$511,705	5.77%	4.49%
15.	Operating Exp. as a % of Margin	42.55%	41.90%	43.02%	40.84%	36.24%	4.09%	1.55%
16.	Net Pft. Investment per \$ of Margin	\$3.18	\$3.30	\$3.20	\$3.15	\$2.87	4.47%	-3.64%
17.	Gas Delivered in DTs:							
18.	Residential	32,907	24,388	28,919	24,379	22,891	9.74%	34.94%
19.	Commercial	19,166	14,457	18,098	16,788	14,812	7.02%	32.57%
20.	Industrial	6,141	5,473	13,682	25,775	18,621	-24.22%	12.21%
21.	Public Authorities	58	81	258	387	422	-39.11%	-4.92%
22.	Resale	0	0	0	0	0	N/A	N/A
23.	Other	28,710	27,838	17,795	15,463	49,921	-12.92%	3.14%
24.	Total DTs	86,982	72,213	78,730	82,792	108,267	-4.88%	20.45%
25.	Number of Customers:							
26.	Residential	416	383	369	354	335	5.56%	8.62%
27.	Commercial	46	43	42	41	39	4.21%	6.98%
28.	Industrial	2	1	2	2	2	0.00%	100.00%
29.	Public Authorities	1	1	1	5	6	-38.11%	0.00%
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	465	428	414	402	382	5.04%	8.64%
33.	Estimated Overall Rate of Return	8.88%	8.84%	8.88%	9.67%	10.77%	-4.71%	2.78%
34.	Estimated Return on Common Equity	10.09%	9.88%	10.03%	11.50%	13.24%	-8.57%	4.45%
35.	Common Equity Ratio	54.19%	52.92%	50.88%	52.65%	54.43%	-0.11%	2.40%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.62	3.35	3.10	3.68	4.28	-4.10%	8.08%
37.	LAST RATE CASE	Authorized Returns: Common Equity 11.30%, Overall 9.70%; Equity Ratio: 52.71%; Date of Order: 10-5-00						

Notes: [1] North Carolina retail jurisdictional revenue equates to 46% 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 2003 (b)	June 2002 (c)	June 2001 (d)	June 2000 (e)	June 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Residential	\$273,005	\$200,184	\$299,088	\$198,154	\$172,432	12.17%	36.38%
3.	Commercial	125,326	89,990	145,141	88,044	74,821	13.78%	39.27%
4.	Industrial	10,098	7,909	13,239	9,820	6,144	13.23%	27.66%
5.	Public Authorities	0	0	0	0	0	N/A	N/A
6.	Resale	9	7	7	0	0	N/A	28.57%
7.	Other	<u>48,787</u>	<u>42,344</u>	<u>48,459</u>	<u>43,605</u>	<u>40,344</u>	<u>4.87%</u>	<u>15.22%</u>
8.	Total Operating Revenue	<u>457,225</u>	<u>340,434</u>	<u>505,834</u>	<u>339,823</u>	<u>293,741</u>	<u>11.70%</u>	<u>34.31%</u>
9.	Cost of Gas	<u>284,610</u>	<u>172,623</u>	<u>336,101</u>	<u>174,519</u>	<u>132,603</u>	<u>21.04%</u>	<u>64.87%</u>
10.	Margin	172,615	167,811	169,833	165,104	161,138	1.73%	2.86%
11.	O & M Expenses	73,389	70,443	64,384	69,518	68,398	1.76%	4.18%
12.	Other Deductions	<u>55,987</u>	<u>59,470</u>	<u>69,363</u>	<u>59,560</u>	<u>56,232</u>	<u>-0.11%</u>	<u>-5.86%</u>
13.	Operating Income	<u>\$43,239</u>	<u>\$37,888</u>	<u>\$37,086</u>	<u>\$36,026</u>	<u>\$36,508</u>	<u>4.32%</u>	<u>14.09%</u>
14.	Net Plant Investment	<u>\$559,910</u>	<u>\$539,710</u>	<u>\$478,855</u>	<u>\$495,891</u>	<u>\$499,005</u>	<u>2.92%</u>	<u>3.74%</u>
15.	Operating Exp. as a % of Margin	42.52%	41.98%	37.91%	42.11%	42.45%	0.04%	1.29%
18.	Net Pft. Investment per \$ of Margin	\$3.24	\$3.22	\$2.82	\$3.00	\$3.10	1.11%	0.82%
17.	Gas Delivered in DTs:							
18.	Residential	25,974	20,442	24,847	21,358	19,418	7.54%	27.06%
19.	Commercial	14,819	12,164	14,676	12,913	11,959	5.51%	21.83%
20.	Industrial	1,496	1,342	1,521	1,718	1,132	7.22%	11.48%
21.	Public Authorities	0	0	0	0	0	N/A	N/A
22.	Resale	1	1	0	0	0	N/A	0.00%
23.	Other	<u>29,209</u>	<u>31,318</u>	<u>28,549</u>	<u>34,103</u>	<u>31,141</u>	<u>-1.59%</u>	<u>-6.73%</u>
24.	Total DTs	<u>71,499</u>	<u>65,267</u>	<u>69,393</u>	<u>70,092</u>	<u>63,650</u>	<u>2.95%</u>	<u>9.55%</u>
25.	Number of Customers:							
26.	Residential	340	326	317	307	293	3.79%	4.29%
27.	Commercial	36	37	43	42	42	-3.78%	-2.70%
28.	Industrial	0	0	2	2	2	N/A	N/A
29.	Public Authorities	0	0	0	0	0	N/A	N/A
30.	Resale	0	0	0	0	0	N/A	N/A
31.	Other	0	0	0	0	0	N/A	N/A
32.	Total Number of Customers	<u>376</u>	<u>363</u>	<u>362</u>	<u>351</u>	<u>337</u>	<u>2.78%</u>	<u>3.58%</u>
33.	Estimated Overall Rate of Return	8.37%	8.95%	11.02%	9.83%	8.80%	-1.24%	-6.48%
34.	Estimated Return on Common Equity	10.48%	11.04%	14.93%	12.43%	10.04%	1.08%	-5.07%
35.	Common Equity Ratio	47.84%	48.07%	47.96%	47.74%	49.09%	-0.64%	-0.48%
36.	Estimated Pre-tax Interest Coverage Ratio (Times)	3.41	3.37	4.04	3.49	3.02	3.08%	1.19%
37.	LAST RATE CASE	Authorized Returns: Common Equity 11.40%, Overall 9.82%; Equity Ratio: 51.91%; Date of Order: 10-30-98						

Notes: [1] Rates are set on a total company basis.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: Shareholders' Reports and the NCUC GS-1 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	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$74,072	\$73,312	\$69,848	\$63,217	\$63,267	4.02%	1.04%
3.	Network Access	22,093	25,599	24,875	21,166	20,200	2.26%	-13.70%
4.	Long Distance Message	4,340	4,380	5,035	5,643	5,498	-5.74%	-0.91%
5.	Miscellaneous	2,201	4,262	3,994	3,636	3,577	-11.43%	-48.36%
6.	Uncollectibles	(1,566)	(832)	(511)	(564)	(580)	28.18%	68.03%
7.	Total Operating Revenue	<u>101,140</u>	<u>106,621</u>	<u>103,241</u>	<u>93,096</u>	<u>91,962</u>	2.41%	-5.14%
8.	Operating Expenses	39,119	43,465	47,321	46,647	42,171	-1.86%	-10.00%
9.	Depreciation & Amortization	19,424	18,153	17,499	16,157	15,276	6.19%	7.00%
10.	Total Operating Taxes	<u>15,773</u>	<u>17,046</u>	<u>14,894</u>	<u>11,879</u>	<u>13,434</u>	4.09%	-7.47%
11.	Total Expenses, Depr. & Taxes	<u>74,316</u>	<u>78,664</u>	<u>79,714</u>	<u>74,683</u>	<u>70,881</u>	1.19%	-5.53%
12.	Other Operating (Income) & Expense	0	0	0	0	0	N/A	N/A
13.	Operating Income	<u>\$26,824</u>	<u>\$27,957</u>	<u>\$23,527</u>	<u>\$18,415</u>	<u>\$21,081</u>	6.21%	-4.05%
14.	Net Plant Investment	<u>\$179,708</u>	<u>\$185,038</u>	<u>\$160,844</u>	<u>\$153,889</u>	<u>\$146,651</u>	5.21%	8.89%
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	38.68%	40.77%	45.84%	50.11%	45.86%	-4.17%	-5.13%
16.	Net Plt. Investment per \$ of Revenue	\$1.78	\$1.55	\$1.56	\$1.65	\$1.59	2.86%	14.84%
<hr/>								
17.	Local Access Lines:							
18.	Residential	180	181	178	169	158	3.31%	-0.55%
19.	Business	56	55	55	52	49	3.39%	1.82%
20.	Total Local Access Lines	<u>236</u>	<u>236</u>	<u>233</u>	<u>221</u>	<u>207</u>	3.33%	0.00%
21.	Total Access Lines:							
22.	Residential	180	181	178	169	158	3.31%	-0.55%
23.	Business	56	55	55	52	49	3.39%	1.82%
24.	Total Access Lines	<u>236</u>	<u>236</u>	<u>233</u>	<u>221</u>	<u>207</u>	3.33%	0.00%
<hr/>								
25.	Estimated Overall Rate of Return	17.28%	18.59%	16.35%	13.52%	16.01%	1.93%	-7.05%
26.	Estimated Return on Common Equity	16.82%	18.90%	18.00%	14.90%	20.65%	-5.00%	-11.01%
27.	Common Equity Ratio	75.81%	72.31%	67.00%	65.39%	61.69%	5.29%	4.84%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	5.73	5.53	5.65	4.24	7.24	-5.68%	3.62%
<hr/>								
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 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] ALLTEL 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 ALLTEL Carolina, Inc. included herein is 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)

Item (a)	12 Months Ended					Annual	
	December	December	December	December	December	Growth	Rate
	2002 (b)	2001 (c)	2000 (d)	1999 (e)	1998 (f)	Four Year (g)	Current Year (h)
Operating Revenue:							
Basic Local Service	\$971,764	\$1,074,258	\$1,068,769	\$1,035,846	\$955,410	0.43%	-9.54%
Network Access	53,847	99,455	115,247	144,537	158,061	-23.60%	-45.86%
Long Distance Message	22,273	27,061	27,714	35,137	42,476	-14.90%	-17.69%
Miscellaneous	76,756	75,050	86,812	58,366	47,596	12.69%	2.27%
Uncollectibles	(21,867)	(20,163)	(10,093)	(9,102)	(6,300)	36.49%	8.45%
Total Operating Revenue	1,102,773	1,255,661	1,268,249	1,264,784	1,197,243	-2.03%	-12.18%
Operating Expenses	460,668	527,844	448,878	457,763	463,029	-0.13%	-12.73%
Depreciation & Amortization	332,883	342,955	343,992	310,910	291,352	3.39%	-2.94%
Total Operating Taxes	122,665	162,140	195,095	200,530	166,120	-7.30%	-24.35%
Total Expenses, Depr. & Taxes	916,216	1,032,939	987,965	969,203	920,501	-0.12%	-11.30%
Other Operating (Income) & Expense	(182)	(350)	(247)	46	(530)	N/A	-48.00%
Operating Income	\$186,739	\$223,072	\$280,531	\$295,535	\$277,272	-9.41%	-16.28%
Net Plant Investment	\$1,814,903	\$1,932,824	\$1,831,005	\$1,869,982	\$1,863,734	-0.66%	-6.10%
<hr/>							
Oper. Exp. as a % of Total Revenue	41.77%	42.04%	35.39%	36.19%	38.67%	1.95%	-0.64%
Net Plt. Investment per \$ of Revenue	\$1.65	\$1.54	\$1.52	\$1.48	\$1.56	1.41%	7.14%
<hr/>							
Local Access Lines:							
Residential	1,572	1,664	1,690	1,667	1,600	-0.44%	-5.53%
Business	735	767	705	694	686	1.74%	-4.17%
Total Local Access Lines	2,307	2,431	2,395	2,361	2,286	0.23%	-5.10%
Total Access Lines:							
Residential	1,626	1,673	1,690	1,667	1,600	0.40%	-2.81%
Business	736	769	714	698	690	1.63%	-4.29%
Total Access Lines	2,362	2,442	2,404	2,365	2,290	0.78%	-3.28%
<hr/>							
Estimated Overall Rate of Return	11.61%	13.38%	18.37%	18.37%	17.19%	-9.35%	-13.23%
Estimated Return on Common Equity	16.34%	19.14%	27.75%	27.75%	25.24%	-10.30%	-14.63%
Common Equity Ratio	58.65%	58.16%	55.12%	55.12%	57.55%	0.47%	4.43%
Estimated Pre-tax Interest Coverage Ratio (Times)	8.96	7.78	9.08	9.08	9.30	-0.93%	15.17%

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 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.
[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 is updated annually beginning with the calendar year 1996.
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$414,413	\$420,406	\$411,137	\$392,091	\$360,990	3.51%	-1.43%
3.	Network Access	75,095	99,482	110,536	86,775	89,606	-4.32%	-24.51%
4.	Long Distance Message	10,746	12,892	18,286	24,172	24,436	-18.57%	-18.65%
5.	Miscellaneous	44,118	40,937	36,815	32,335	34,582	6.28%	7.77%
6.	Uncollectibles	(10,304)	(14,268)	(5,806)	(6,665)	(5,716)	15.87%	-27.77%
7.	Total Operating Revenue	534,068	559,451	570,968	528,708	503,898	1.46%	-4.54%
8.	Operating Expenses	263,327	256,998	247,280	281,128	259,881	0.33%	2.46%
9.	Depreciation & Amortization	143,738	136,568	143,427	134,968	129,687	2.61%	5.25%
10.	Total Operating Taxes	49,881	69,301	76,060	47,966	50,037	-0.18%	-28.31%
11.	Total Expenses, Depr. & Taxes	456,746	462,867	466,767	464,062	439,585	0.96%	-1.32%
12.	Operating Income	\$77,322	\$96,584	\$104,201	\$64,646	\$64,313	4.71%	-19.94%
13.	Net Plant Investment	\$714,752	\$779,735	\$635,856	\$623,474	\$642,707	2.69%	-8.33%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	49.31%	45.94%	43.31%	53.17%	51.57%	-1.12%	7.33%
15.	Net Plt. Investment per \$ of Revenue	\$1.34	\$1.39	\$1.11	\$1.18	\$1.28	1.21%	-3.98%
<hr/>								
16.	Local Access Lines:							
17.	Residential	896	910	917	881	844	1.51%	-1.54%
18.	Business	297	303	309	297	284	1.13%	-1.98%
19.	Total Local Access Lines	1,193	1,213	1,226	1,178	1,128	1.41%	-1.65%
20.	Total Access Lines:							
21.	Residential	896	910	917	881	844	1.51%	-1.54%
22.	Business	298	304	310	298	285	1.12%	-1.97%
23.	Total Access Lines	1,194	1,214	1,227	1,179	1,129	1.41%	-1.65%
<hr/>								
24.	Estimated Overall Rate of Return	14.62%	16.53%	17.81%	12.36%	11.69%	5.75%	-11.55%
25.	Estimated Return on Common Equity	21.26%	22.72%	25.05%	15.96%	15.10%	8.93%	-6.43%
26.	Common Equity Ratio	60.39%	63.21%	61.20%	62.08%	62.09%	-0.69%	-4.46%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	12.61	11.65	11.12	7.35	7.59	13.53%	8.24%
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 15.25%, Overall 11.82%; Equity Ratio: 48.40%; Date of Order: 3-30-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 73% 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 is updated annually beginning with the calendar year 1996.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$103,228	\$106,420	\$103,822	\$98,597	\$88,288	3.99%	-3.00%
3.	Network Access	16,839	28,534	22,930	19,271	19,093	-3.09%	-36.54%
4.	Long Distance Message	5,310	6,781	7,250	8,163	7,841	-9.28%	-21.69%
5.	Miscellaneous	8,863	6,421	9,891	11,183	12,488	-13.90%	6.88%
6.	Uncollectibles	(2,619)	(2,878)	(1,721)	(1,337)	(1,773)	10.24%	-9.00%
7.	Total Operating Revenue	129,621	143,278	141,972	135,877	125,937	0.72%	-9.53%
8.	Operating Expenses	65,788	70,844	71,274	77,567	70,236	-1.62%	-7.14%
9.	Depreciation & Amortization	26,791	25,644	24,167	23,066	21,629	5.50%	4.47%
10.	Total Operating Taxes	14,383	17,897	17,588	13,145	14,113	0.47%	-19.63%
11.	Total Expenses, Depr. & Taxes	106,962	114,385	113,029	113,778	105,978	0.23%	-6.49%
12.	Operating Income	\$22,659	\$28,893	\$28,943	\$22,099	\$19,959	3.22%	-21.58%
13.	Net Plant Investment	\$272,060	\$278,080	\$220,883	\$208,582	\$210,041	6.68%	-2.17%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	50.75%	49.45%	50.20%	57.09%	55.77%	-2.33%	2.65%
15.	Net Plt. Investment per \$ of Revenue	\$2.10	\$1.94	\$1.55	\$1.54	\$1.67	5.92%	8.14%
<hr/>								
16.	Local Access Lines:							
17.	Residential	202	207	210	204	196	0.76%	-2.42%
18.	Business	74	78	78	73	70	1.40%	-5.13%
19.	Total Local Access Lines	276	285	288	277	266	0.93%	-3.16%
20.	Total Access Lines:							
21.	Residential	202	207	210	204	196	0.76%	-2.42%
22.	Business	74	78	79	73	70	1.40%	-5.13%
23.	Total Access Lines	276	285	289	277	266	0.93%	-3.16%
<hr/>								
24.	Estimated Overall Rate of Return	14.46%	17.63%	18.19%	13.92%	12.84%	3.02%	-17.98%
25.	Estimated Return on Common Equity	16.18%	20.06%	18.23%	13.57%	12.39%	6.90%	-19.34%
26.	Common Equity Ratio	79.14%	79.05%	90.50%	89.98%	89.13%	-2.93%	0.11%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	13.39	14.49	15.61	11.96	10.79	5.55%	-7.59%
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 15.50%, Overall 12.09%; Equity Ratio: 48.30%; Date of Order: 6-22-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue, equates to approximately 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] 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 is updated annually beginning with the calendar year 1996.

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 2003 (b)	June 2002 (c)	June 2001 (d)	June 2000 (e)	June 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$5,782	\$5,667	\$5,479	\$4,897	\$4,727	5.17%	1.87%
3.	Network Access	4,414	4,017	3,037	3,667	3,735	4.26%	9.88%
4.	Long Distance Message	1,204	1,278	1,337	1,278	1,187	0.36%	-5.79%
5.	Miscellaneous	1,098	1,063	1,035	931	883	5.60%	3.29%
6.	Uncollectibles	(18)	(21)	(11)	(11)	(18)	0.00%	-9.52%
7.	Total Operating Revenue	12,479	12,024	10,877	10,762	10,513	4.38%	3.78%
8.	Operating Expenses	4,923	4,350	4,403	4,422	4,099	4.69%	13.17%
9.	Depreciation & Amortization	2,375	2,335	3,702	1,639	2,496	-1.23%	1.71%
10.	Total Operating Taxes	1,625	1,819	929	1,790	1,289	5.96%	-10.67%
11.	Total Expenses, Depr. & Taxes	8,923	8,504	9,034	7,851	7,884	3.14%	4.93%
12.	Operating Income	\$3,556	\$3,520	\$1,843	\$2,911	\$2,629	7.84%	1.02%
13.	Net Plant Investment	\$24,805	\$23,943	\$22,281	\$21,583	\$19,311	6.46%	3.60%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	39.45%	36.18%	40.48%	41.09%	38.99%	0.29%	9.04%
15.	Net Plt. Investment per \$ of Revenue	\$1.99	\$1.99	\$2.05	\$2.01	\$1.84	1.98%	0.00%
<hr/>								
16.	Local Access Lines:							
17.	Residential	17	17	17	17	16	1.53%	0.00%
18.	Business	4	4	4	4	4	0.00%	0.00%
19.	Total Local Access Lines	21	21	21	21	20	1.23%	0.00%
20.	Total Access Lines:							
21.	Residential	17	17	17	17	16	1.53%	0.00%
22.	Business	4	4	4	4	4	0.00%	0.00%
23.	Total Access Lines	21	21	21	21	20	1.23%	0.00%
<hr/>								
24.	Estimated Overall Rate of Return	14.64%	14.95%	8.23%	14.93%	14.10%	0.94%	-2.07%
25.	Estimated Return on Common Equity	17.25%	18.12%	8.19%	18.79%	18.03%	-1.10%	-4.80%
26.	Common Equity Ratio	70.61%	67.62%	65.42%	63.25%	59.95%	4.18%	4.42%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	8.47	7.98	3.74	6.98	5.85	9.69%	6.14%
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 12.70%, Overall 10.11%; Equity Ratio: 44.95%; Date of Order: 2-26-91						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 72% 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 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$44,633	\$45,386	\$42,387	\$38,190	\$35,129	6.17%	-1.86%
3.	Network Access	6,437	6,582	6,907	6,639	5,836	2.48%	-2.20%
4.	Long Distance Message	3,973	4,565	5,020	4,739	4,937	-5.29%	-12.97%
5.	Miscellaneous	7,806	7,035	7,736	7,264	6,970	2.87%	10.96%
6.	Uncollectibles	(836)	(270)	(241)	(178)	(73)	83.96%	209.63%
7.	Total Operating Revenue	62,013	63,298	61,809	56,654	52,799	4.10%	-2.03%
8.	Operating Expenses	28,413	29,255	29,087	28,107	27,025	1.26%	-2.88%
9.	Depreciation & Amortization	17,871	16,495	15,434	11,532	11,968	10.54%	8.34%
10.	Total Operating Taxes	6,887	8,133	7,996	7,810	6,544	1.29%	-15.32%
11.	Total Expenses, Depr. & Taxes	53,171	53,883	52,517	47,449	45,537	3.95%	-1.32%
12.	Operating Income	\$8,842	\$9,415	\$9,292	\$9,205	\$7,262	5.04%	-6.09%
13.	Net Plant Investment	\$69,878	\$73,985	\$73,143	\$64,887	\$60,644	3.61%	-5.53%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	45.82%	46.22%	47.06%	49.61%	51.18%	-2.73%	-0.87%
15.	Net Plt. Investment per \$ of Revenue	\$1.13	\$1.17	\$1.18	\$1.15	\$1.15	-0.44%	-3.42%
<hr/>								
16.	Local Access Lines:							
17.	Residential	89	91	91	88	84	1.46%	-2.20%
18.	Business	28	26	27	25	24	2.02%	0.00%
19.	Total Local Access Lines	115	117	118	113	108	1.58%	-1.71%
20.	Total Access Lines:							
21.	Residential	89	91	91	88	84	1.46%	-2.20%
22.	Business	28	26	27	25	24	2.02%	0.00%
23.	Total Access Lines	115	117	118	113	108	1.58%	-1.71%
<hr/>								
24.	Estimated Overall Rate of Return	14.46%	14.53%	15.98%	18.12%	15.82%	-2.22%	-0.48%
25.	Estimated Return on Common Equity	18.42%	14.47%	19.24%	21.76%	18.21%	0.29%	27.30%
26.	Common Equity Ratio	69.15%	66.38%	71.44%	75.41%	78.06%	-2.98%	4.17%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	14.14	5.01	11.88	17.89	16.77	-4.17%	182.24%
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 15.50%, Overall 12.11%; Equity Ratio: 58.59%; Date of Order: 6-17-83						

Notes: [1] North Carolina intrastate revenue, i.e., jurisdictional revenue equates to approximately 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] 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 is updated annually beginning with the calendar year 1997.

LEXCOM 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 2003 (b)	June 2002 (c)	June 2001 (d)	June 2000 (e)	June 1999 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$13,435	\$13,638	\$13,212	\$12,247	\$11,243	4.55%	-1.49%
3.	Network Access	4,947	4,330	3,567	3,000	3,011	13.22%	14.25%
4.	Long Distance Message	298	316	338	451	392	-6.62%	-5.70%
5.	Miscellaneous	2,361	2,895	3,648	3,899	3,329	-8.23%	-12.39%
6.	Uncollectibles	(173)	(313)	(165)	(167)	(175)	-0.29%	-44.73%
7.	Total Operating Revenue	20,868	20,666	20,600	19,230	17,800	4.06%	0.88%
8.	Operating Expenses	7,900	7,578	7,662	8,213	9,041	-3.32%	4.25%
9.	Depreciation & Amortization	3,374	3,548	3,472	3,149	2,741	5.33%	-4.90%
10.	Total Operating Taxes	5,529	5,236	5,425	4,670	4,317	6.38%	5.60%
11.	Total Expenses, Depr. & Taxes	16,803	16,362	16,559	16,032	16,099	1.08%	2.70%
12.	Operating Income	\$4,065	\$4,304	\$4,041	\$3,198	\$1,701	24.33%	-5.55%
13.	Net Plant Investment	\$37,288	\$38,496	\$37,685	\$37,531	\$34,787	1.75%	-3.14%
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	37.86%	36.67%	37.19%	42.71%	50.79%	-7.08%	3.25%
15.	Net Plt. Investment per \$ of Revenue	\$1.79	\$1.86	\$1.83	\$1.95	\$1.95	-2.12%	-3.76%
<hr/>								
16.	Local Access Lines:							
17.	Residential	24	24	25	25	24	0.00%	0.00%
18.	Business	9	9	9	10	10	-2.60%	0.00%
19.	Total Local Access Lines	33	33	34	35	34	-0.74%	0.00%
20.	Total Access Lines:							
21.	Residential	24	24	25	25	24	0.00%	0.00%
22.	Business	9	9	9	10	10	-2.60%	0.00%
23.	Total Access Lines	33	33	34	35	34	-0.74%	0.00%
<hr/>								
24.	Estimated Overall Rate of Return	13.10%	12.85%	13.44%	10.99%	6.14%	20.86%	1.95%
25.	Estimated Return on Common Equity	13.28%	13.06%	13.76%	11.23%	5.98%	22.07%	1.68%
26.	Common Equity Ratio	96.70%	96.06%	94.57%	93.09%	90.66%	1.63%	0.67%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	114.17	89.15	65.37	45.93	29.88	39.81%	28.07%
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 16.25%, Overall 12.77%; Equity Ratio: 37.22%; Date of Order: 6-14-82						

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

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 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$3,523	\$3,625	\$3,288	\$2,754	\$2,313	11.09%	-2.81%
3.	Network Access	3,919	4,105	4,105	3,717	3,106	5.98%	-4.53%
4.	Long Distance Message	358	365	454	739	819	-18.69%	-1.92%
5.	Miscellaneous	673	785	801	866	430	11.85%	-14.27%
6.	Uncollectibles	(31)	(60)	(38)	29	23	N/A	-48.33%
7.	Total Operating Revenue	<u>8,442</u>	<u>8,820</u>	<u>8,610</u>	<u>8,105</u>	<u>6,691</u>	<u>5.98%</u>	<u>-4.29%</u>
8.	Operating Expenses	4,665	4,240	4,694	4,970	4,943	-1.44%	10.02%
9.	Depreciation & Amortization	1,201	1,003	839	800	708	14.12%	19.74%
10.	Total Operating Taxes	1,096	1,479	1,074	802	303	37.91%	-25.80%
11.	Total Expenses, Depr. & Taxes	<u>6,962</u>	<u>6,722</u>	<u>6,607</u>	<u>6,572</u>	<u>5,954</u>	<u>3.99%</u>	<u>3.57%</u>
12.	Operating Income	<u>\$1,480</u>	<u>\$2,098</u>	<u>\$2,003</u>	<u>\$1,533</u>	<u>\$737</u>	<u>19.04%</u>	<u>-29.46%</u>
13.	Net Plant Investment	<u>\$10,895</u>	<u>\$10,808</u>	<u>\$8,554</u>	<u>\$8,631</u>	<u>\$7,684</u>	<u>9.12%</u>	<u>0.80%</u>
<hr/>								
14.	Oper. Exp. as a % of Total Revenue	55.26%	48.07%	54.52%	61.32%	73.88%	-7.00%	14.96%
15.	Net Plt. Investment per \$ of Revenue	\$1.29	\$1.23	\$0.99	\$1.06	\$1.15	2.91%	4.88%
<hr/>								
16.	Local Access Lines:							
17.	Residential	9	9	9	9	8	2.99%	0.00%
18.	Business	3	3	3	3	2	10.67%	0.00%
19.	Total Local Access Lines	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>10</u>	<u>4.66%</u>	<u>0.00%</u>
20.	Total Access Lines:							
21.	Residential	9	9	9	9	8	2.99%	0.00%
22.	Business	3	3	3	3	2	10.67%	0.00%
23.	Total Access Lines	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>10</u>	<u>4.66%</u>	<u>0.00%</u>
<hr/>								
24.	Estimated Overall Rate of Return	13.85%	18.58%	19.04%	17.95%	10.06%	8.32%	-25.46%
25.	Estimated Return on Common Equity	13.85%	18.58%	22.37%	55.31%	12.74%	2.11%	-25.46%
26.	Common Equity Ratio	100.00%	100.00%	60.77%	23.07%	25.06%	41.34%	0.00%
27.	Estimated Pre-tax Interest Coverage Ratio (Times)	0.00	0.00	5.01	4.98	1.75	N/A	N/A
<hr/>								
28.	LAST RATE CASE	Authorized Returns: Common Equity 16.50%, Overall 5.92%; Equity Ratio:16.92%; Date of Order: 11-26-79						

Notes: [1] Rates are set on a total company basis.
 [2] Net Plant Investment reflects net plant in service.
 [3] Source of Data: NCUC TS-1 Reports.
 [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 is updated annually beginning with the calendar year 2000.
 [5] MEBTEL Communications was acquired by Madison River Communications, Inc. in January 1998.
 [6] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

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

Line No.	Item (a)	12 Months Ended					Annual Growth Rate	
		December 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$34,637	\$36,436	\$35,238	\$32,620	\$28,996	4.54%	-4.94%
3.	Network Access	34,606	34,155	32,044	30,455	28,971	4.54%	1.32%
4.	Long Distance Message	2,053	2,099	2,046	1,933	2,170	-1.38%	-2.19%
5.	Miscellaneous	6,966	7,686	8,459	7,766	7,484	-1.78%	-9.37%
6.	Uncollectibles	(654)	(1,335)	(909)	(669)	(663)	-0.34%	-51.01%
7.	Total Operating Revenue	<u>77,608</u>	<u>79,041</u>	<u>76,878</u>	<u>72,105</u>	<u>66,958</u>	<u>3.76%</u>	<u>-1.81%</u>
8.	Operating Expenses	35,529	33,873	30,953	30,060	30,439	3.94%	4.89%
9.	Depreciation & Amortization	18,412	16,841	15,259	13,443	14,172	6.78%	9.33%
10.	Total Operating Taxes	<u>9,786</u>	<u>12,026</u>	<u>13,298</u>	<u>12,246</u>	<u>9,713</u>	<u>0.19%</u>	<u>-18.63%</u>
11.	Total Expenses, Depr. & Taxes	<u>63,727</u>	<u>62,740</u>	<u>59,510</u>	<u>55,749</u>	<u>54,324</u>	<u>4.07%</u>	<u>1.57%</u>
12.	Other Operating (Income) & Expense	(648)	(207)	(147)	(142)	(170)	49.45%	309.66%
13.	Operating Income	<u>\$14,729</u>	<u>\$16,508</u>	<u>\$17,515</u>	<u>\$16,498</u>	<u>\$12,804</u>	<u>3.56%</u>	<u>-10.78%</u>
14.	Net Plant investment	<u>\$116,191</u>	<u>\$114,833</u>	<u>\$105,645</u>	<u>\$94,708</u>	<u>\$87,097</u>	<u>7.47%</u>	<u>1.18%</u>
15.	Oper. Exp. as a % of Total Revenue	45.78%	42.85%	40.26%	41.69%	45.46%	0.18%	6.83%
16.	Net Plt. investment per \$ of Revenue	\$1.50	\$1.45	\$1.37	\$1.31	\$1.30	3.58%	3.05%
17.	Local Access Lines:							
18.	Residential	84	86	88	86	83	0.30%	-2.33%
19.	Business	48	48	47	44	41	4.02%	0.00%
20.	Total Local Access Lines	<u>132</u>	<u>134</u>	<u>135</u>	<u>130</u>	<u>124</u>	<u>1.58%</u>	<u>-1.48%</u>
21.	Total Access Lines:							
22.	Residential	84	86	88	86	83	0.30%	-2.33%
23.	Business	48	48	48	44	41	4.02%	0.00%
24.	Total Access Lines	<u>132</u>	<u>134</u>	<u>136</u>	<u>130</u>	<u>124</u>	<u>1.58%</u>	<u>-1.48%</u>
25.	Estimated Overall Rate of Return	13.42%	15.59%	18.30%	18.76%	15.78%	-3.97%	-13.92%
26.	Estimated Return on Common Equity	13.57%	15.83%	18.60%	19.20%	16.24%	-4.39%	-14.28%
27.	Common Equity Ratio	97.82%	97.60%	97.58%	96.37%	95.60%	0.58%	0.23%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	289.99	335.55	396.03	175.77	127.22	22.87%	-13.58%
29.	LAST RATE CASE	Authorized Returns: Common Equity N/A, Overall N/A; Equity Ratio: N/A; Date of Order: 6-13-52						

Notes: [1] Rates are set on a total company basis.
[2] Net Plant Investment reflects net plant in service.
[3] Source of Data: NCUC TS-1 Reports.
[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 2002 (b)	December 2001 (c)	December 2000 (d)	December 1999 (e)	December 1998 (f)	Four Year (g)	Current Year (h)
1.	Operating Revenue:							
2.	Basic Local Service	\$126,401	\$131,805	\$133,585	\$123,017	\$117,728	1.78%	-3.95%
3.	Network Access	48,889	54,555	59,815	54,978	62,117	-5.81%	-10.36%
4.	Long Distance Message	3,338	4,710	4,758	5,229	6,204	-14.37%	-29.17%
5.	Miscellaneous	12,118	11,210	6,631	17,215	18,249	-9.73%	8.10%
6.	Uncollectibles	(7,418)	(4,041)	(3,436)	(3,208)	(3,743)	18.64%	83.52%
7.	Total Operating Revenue	183,328	198,039	201,363	197,231	200,555	-2.22%	-7.43%
8.	Operating Expenses	98,428	99,913	111,257	93,150	100,685	-0.57%	-1.49%
9.	Depreciation & Amortization	53,259	54,413	76,742	72,822	69,858	-8.56%	-2.12%
10.	Total Operating Taxes	10,158	15,578	4,435	14,374	9,108	2.76%	-34.81%
11.	Total Expenses, Depr. & Taxes	181,843	169,904	192,434	180,146	179,651	-2.58%	-4.74%
12.	Other Operating (Income) & Expense	(5)	(538)	(44)	119	60	N/A	-99.07%
13.	Operating Income	\$21,490	\$28,873	\$8,973	\$16,866	\$20,844	0.77%	-25.05%
14.	Net Plant Investment	\$328,152	\$433,500	\$328,447	\$331,867	\$340,952	-1.10%	-24.76%
<hr/>								
15.	Oper. Exp. as a % of Total Revenue	53.69%	50.45%	55.25%	47.23%	50.20%	1.69%	6.42%
16.	Net Plt. Investment per \$ of Revenue	\$1.78	\$2.19	\$1.82	\$1.88	\$1.70	1.14%	-18.73%
<hr/>								
17.	Local Access Lines:							
18.	Residential	251	253	252	244	231	2.10%	-0.79%
19.	Business	128	124	141	141	132	-0.77%	3.23%
20.	Total Local Access Lines	379	377	393	385	363	1.08%	0.53%
21.	Total Access Lines:							
22.	Residential	251	253	252	244	231	2.10%	-0.79%
23.	Business	333	312	322	251	214	11.69%	8.73%
24.	Total Access Lines	584	565	574	495	445	7.03%	3.38%
<hr/>								
25.	Estimated Overall Rate of Return	7.60%	10.02%	2.86%	6.46%	6.74%	3.05%	-24.15%
26.	Estimated Return on Common Equity	7.39%	13.54%	-1.99%	4.36%	4.50%	13.20%	-45.42%
27.	Common Equity Ratio	44.56%	50.21%	52.45%	55.81%	60.56%	-7.36%	-11.25%
28.	Estimated Pre-tax Interest Coverage Ratio (Times)	2.13	4.23	0.26	2.23	1.81	4.15%	-49.85%
<hr/>								
29.	LAST RATE CASE	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 67% of total North Carolina revenue, i.e., intrastate and interstate revenue.
[2] Net Plant Investment reflects net plant in service.
[3] 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 is updated annually beginning with the calendar year 1996.
[4] 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.
[5] N/A denotes that the data is not available or not applicable or that information is, essentially, unmeaningful.

Quarterly Review Distribution List

Chief Clerk Geneva Thigpen (1 copy)	Linda Chestham BellSouth 128 W. Hargett Street Raleigh, North Carolina 27601	Steve Parrott Carolina Telephone 14111 Capital Boulevard Wake Forest, North Carolina 27587
Commission Staff		
Bob Bennink (6 copies) Don Hoover (11 copies) Debbie Holder (3 copies)	Joe W. Foster Verizon South Inc. 4100 N. Roxboro Road Durham, North Carolina 27704	Richard Reese, President LEXCOM Telephone Company P. O. Box 808 Lexington, North Carolina 27293-0808
Public Staff		
Robert Gruber, Executive Director (1 copy) Nat Carpenter (1 copy) Bill Carter (9 copies) Jeff Davis (1 copy) Tom Farmer (3 copies) Andy Lee (1 copy) Cynthia Smith (1 copy) Ben Turner (1 copy) Antoinette Wike (2 copies)	Mr. Bob Fountain, Director Regulatory Accounting & Administration SCANA Corporation Columbia, South Carolina 29218 Lisa Fowler, Assistant Controller Duke Power PB 2MC 422 South Church Street Charlotte, North Carolina 28202-1904 Barry L. Guy, V.P. & Controller Piedmont Natural Gas Company P. O. Box 33068 Charlotte, North Carolina 28233	C. A. Stadelmeier Dominion North Carolina Power P. O. Box 26666 Richmond, Virginia 23261 Ken Stonebraker Nantahala Power & Light Company P. O. Box 260 Franklin, North Carolina 28734 Samuel M. Taylor Womble, Carlyle, Sandridge & Rice, P.L.L.C. 2100 First Union Capitol Center 150 Fayetteville Street Mall P. O. Box 831 Raleigh, North Carolina 27602
Attorney General's Office Margaret Force		
Others		
Len S. Anthony Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. P. O. Box 1551, PEB 17A4 Raleigh, North Carolina 27602 Tom K. Austin North Carolina Electric Membership Corporation P. O. Box 27306 Raleigh, North Carolina 27611 David Baker North Carolina Department of Revenue Property Tax Division PO Box 871 Raleigh, North Carolina 27602 Bruce P. Barkley Progress Energy Service Company, LLC 412 South Wilmington St., OHS 5A4 Raleigh, North Carolina 27601 Ann H. Boggs, Director-Gas Accounting Piedmont Natural Gas Company P. O. Box 33068 Charlotte, North Carolina 28233 Janice Carney ElectriCities of North Carolina P.O. Box 29513 Raleigh, North Carolina 27626-0513	Donald F. Harrow Piedmont Natural Gas Company P. O. Box 33068 Charlotte, North Carolina 28233 Don Hathcock BellSouth P. O. Box 30188 Charlotte, North Carolina 28230 John Hogshire MEBTEL Communications P. O. Box 9 Mebane, North Carolina 27302 William McAulay Public Service Company 1312 Annapolis Dr., Ste. 200 Raleigh, North Carolina 27608 Ralph McDonald Bailey & Dixon, LLP P. O. Box 1351 Raleigh, North Carolina 27602-1351 Darell Mennenga ALLTEL Telephone Corporation One Allied Drive Little Rock, Arkansas 72202 Sharon Miller CUCA 5811 Glenwood Avenue #204 Raleigh, North Carolina 27612-6260	Royster M. Tucker, Jr. North State Communications P. O. Box 2326 High Point, North Carolina 27261 Jerry Weikle Concord Telephone Company P. O. Box 227 Concord, North Carolina 28026-0227 Bob Wells North Carolina Telephone Alliance 3737 Glenwood Avenue Suite 100 Raleigh, North Carolina 27612 James P. West, Esquire West Law Offices, P.C. Suite 1735 Two Hannover Square 434 Fayetteville Street Mall P. O. Box 1568 Raleigh, North Carolina 27602 Veronica Williams, Manager Regulatory Accounting Duke Power PB 02-L 422 South Church Street Charlotte, North Carolina 28202-1904