

**CONSOLIDATED STATEMENTS OF INCOME** (dollars and shares in thousands, except per share amounts)

year ended December 31,	2002	2001	2000
<b>OPERATING REVENUES</b>			
Regulated electricity segment	\$ 2,013,023	\$ 2,562,089	\$ 2,538,752
Marketing and trading segment	325,931	651,230	418,532
Real estate segment	236,388	168,908	158,365
Other revenues	61,937	11,771	3,873
Total	2,637,279	3,393,998	3,119,522
<b>OPERATING EXPENSES</b>			
Regulated electricity segment purchased power and fuel	499,543	1,160,863	1,065,597
Marketing and trading segment purchased power and fuel	194,039	334,209	292,669
Operations and maintenance	584,538	530,095	450,205
Real estate operations segment	205,315	153,462	134,422
Depreciation and amortization	424,886	427,903	431,229
Taxes other than income taxes	107,952	101,068	99,780
Other expenses	104,959	10,375	782
Total	2,121,232	2,717,975	2,474,684
<b>OPERATING INCOME</b>	516,047	676,023	644,838
<b>OTHER</b>			
Other income	15,104	26,416	21,832
Other expenses	(33,655)	(33,577)	(25,329)
Total	(18,551)	(7,161)	(3,497)
<b>INTEREST EXPENSE</b>			
Interest charges	188,353	175,822	166,447
Capitalized interest	(44,110)	(47,862)	(21,638)
Total	144,243	127,960	144,809
<b>INCOME BEFORE INCOME TAXES</b>	353,253	540,902	496,532
<b>INCOME TAXES</b>	138,100	213,535	194,200
<b>INCOME BEFORE ACCOUNTING CHANGE</b>	215,153	327,367	302,332
Cumulative effect of a change in accounting for derivatives – net of income taxes of \$9,892	–	(15,201)	–
Cumulative effect of a change in accounting for trading activities – net of income taxes of \$43,123	(65,745)	–	–
<b>NET INCOME</b>	\$ 149,408	\$ 312,166	\$ 302,332
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING – BASIC</b>	84,903	84,718	84,733
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING – DILUTED</b>	84,964	84,930	84,935
<b>EARNINGS PER WEIGHTED-AVERAGE COMMON SHARE OUTSTANDING</b>			
Income before accounting change – basic	\$ 2.53	\$ 3.86	\$ 3.57
Net income – basic	1.76	3.68	3.57
Income before accounting change – diluted	2.53	3.85	3.56
Net income – diluted	1.76	3.68	3.56
<b>DIVIDENDS DECLARED PER SHARE</b>	\$ 1.625	\$ 1.525	\$ 1.425

See Notes to Consolidated Financial Statements.