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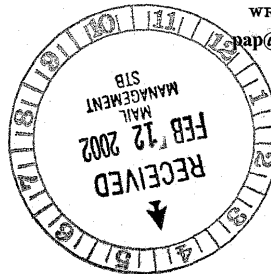
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January 12, 2002



BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

204753

Re: Docket No. NOR 42072, Carolina Power & Light
Company v. Norfolk Southern Railway Company

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding is an original and ten copies of the Report on the Parties' Conference Pursuant to 49 C.F.R. § 1111.10(b), containing the parties' joint request for adoption of an agreed upon procedural schedule and joint request for adoption of an agreed upon protective order. A diskette containing the text of the proposed protective order in WordPerfect 8.0 format is also enclosed.

The parties request that an appropriate order be entered by the Board on an expedited basis.

Please acknowledge receipt of the enclosed by stamping and returning to our messenger the enclosed duplicate of this filing.

ENTERED
Office of the Secretary

FEB 13 2002

Part of
Public Record

Sincerely,

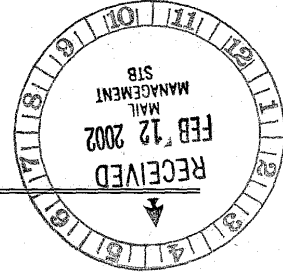
Peter A. Pfohl
Peter A. Pfohl

PAP/lts

Enclosures

cc: G. Paul Moates, Esq. (via hand delivery)
George Aspatore, Esq. (via overnight mail)

BEFORE THE
SURFACE TRANSPORTATION BOARD



CAROLINA POWER & LIGHT COMPANY,

Complainant,

v.

NORFOLK SOUTHERN RAILWAY COMPANY,

Defendant.

Docket No. NOR 42072

REPORT ON THE PARTIES' CONFERENCE
PURSUANT TO 49 C.F.R. § 1111.10(b)

Counsel for the parties have conducted a conference to discuss procedural and discovery matters in this case pursuant to 49 C.F.R. § 1111.10(b). The results of their conference are summarized below.

1. The parties agreed that the procedural schedule adopted by the Board for use in stand-alone cost cases (49 C.F.R. § 1111.8) will be followed in this proceeding, except that the parties have agreed that the due date for reply evidence will be extended slightly to give the parties additional time to prepare those filings. The parties jointly request that the Board adopt the following procedural schedule in this case:

February 21, 2002 (Day 20) Answer to complaint due.

April 17, 2002 (Day 75) Discovery completed.

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June 3, 2002 (Day 120)

Complainant files opening evidence on absence of intermodal and intramodal competition, variable costs, and stand-alone costs. Defendant files opening evidence on revenue-variable cost percentages generated by complainant's traffic.

August 30, 2002 (Day 210)

Complainant and defendant file reply evidence to opponent's opening evidence.

September 30, 2002 (Day 240)

Complainant and defendant file rebuttal evidence to opponent's reply evidence.

2. The parties agreed that a protective order should be entered in this proceeding and have agreed on the form of the proposed order. The proposed protective order is modeled on the recent protective orders entered by the Board in recent stand-alone cost rate cases, including Docket No. 42069, Duke Energy Corporation v. Norfolk Southern Railway Company, Docket No 42070, Duke Energy Corporation v. CSX Transportation, Inc., and Docket No. 42059, Northern States Power Company Minnesota d/b/a Xcel Energy v. Union Pacific Railroad Company.

The proposed order will facilitate discovery in this proceeding by protecting the confidentiality of materials reflecting the terms of contracts, financial information, and other confidential and proprietary information in the event that such materials are produced and/or included in evidentiary filings in this proceeding. Accordingly, the parties jointly

request that a protective order be entered in the form provided in Appendix A hereto, including the forms of undertaking that accompany it.

Because the discovery process is underway, the parties request that an appropriate order be entered by the Board on an expedited basis.

Respectfully submitted,


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(202) 736-8000

Attorneys for Defendant

Dated: February 12, 2002


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Attorneys for Complainant

APPENDIX A

STIPULATED PROTECTIVE ORDER

1. Any party producing material in discovery to another party to this proceeding, or submitting material in pleadings or evidence, that the party believes in good faith reveals proprietary or confidential information, may designate and stamp such material as "CONFIDENTIAL," and such material must be treated as confidential. Such material, any copies thereof, and any data or notes derived therefrom may be disclosed only to employees, counsel, or agents of the party receiving such material who have a need to know, handle, or review the material for purposes of this proceeding and any judicial review proceeding arising therefrom, and only where such employee, counsel, or agent has been given and has read a copy of this Protective Order, agrees to be bound by its terms, and executes the attached Undertaking for Confidential Material prior to receiving access to such materials.
2. Any party producing material in discovery to another party to this proceeding, or submitting material in pleadings or evidence, may in good faith designate and stamp particular material, such as material containing shipper-specific rate or cost data or other competitively sensitive information, as "HIGHLY CONFIDENTIAL." Material that is so designated may be disclosed only to another party's outside counsel of record in this proceeding, and to those individuals working with or assisting such counsel who are not regular employees of the party and have a need to know, review or handle the Highly Confidential material for purposes of the proceeding, including testifying and consulting experts, provided each such person has been given and has read a copy of this Protective Order, agrees to be bound by its terms, and executes the attached Undertaking for Highly Confidential Material prior to receiving access to such materials.
3. Each Undertaking for Confidential Material and Undertaking for Highly Confidential Material executed by a person authorized to receive access to Confidential Material or Highly Confidential Material shall be kept for the duration of this proceeding and any related court litigation or judicial appeals by the party with which such person is affiliated or associated, and a copy of each such Undertaking shall be served upon counsel of record for each party no later than ten days after such Undertaking is executed.
4. Confidential and Highly Confidential material shall be used by a receiving party solely for the purpose of this proceeding and any judicial review proceeding arising therefrom, and not for any other business, commercial, or competitive purpose.
5. Confidential and Highly Confidential material that is not the receiving party's own data, information or documents must be destroyed by the receiving party, its employees, counsel, and agents, at the completion of this proceeding and any judicial review proceeding arising therefrom, except that (1) outside counsel (but not outside consultants) for each party are permitted to retain file copies of all pleadings and evidence filed with the Board, and file copies of all work product; and (2) in-house counsel for each party are permitted to retain file copies of all pleadings and evidence which he or she received during the course of this proceeding.

6. Confidential and Highly Confidential material if contained in any pleading or evidence filed with the Board shall, in order to be kept confidential, be filed only in pleadings or evidence submitted in a package clearly marked on the outside "Confidential Materials Subject to Protective Order" or "Highly Confidential Materials Subject to Protective Order." See 49 C.F.R. § 1104.14.
7. In the event that a party produces material which should have been designated as Confidential or Highly Confidential and inadvertently fails to stamp the material as Confidential or Highly Confidential, the producing party may notify the other parties in writing within 10 days of discovery of its inadvertent failure to make the confidentiality designation. The parties who received the material without the confidentiality designation will return the non-designated portion or destroy it, as directed by the producing party, or take such other steps as the parties agree to in writing. The producing party will promptly furnish the receiving parties with properly designated material.
8. In the event that a party inadvertently produces material that is protected by the attorney-client privilege, work product doctrine, or any other privilege, the producing party may make a written request within a reasonable time after the producing party discovers the inadvertent disclosure that the other parties return the inadvertently produced privileged document. The parties who received the inadvertently produced document will either return the document to the producing party or destroy the document immediately upon receipt of the written request, as directed by the producing party. By returning or destroying the document, the receiving party is not conceding that the document is privileged and is not waiving its right to later challenge the substantive privilege claim, provided that it may not challenge the privilege claim by arguing that the inadvertent production waived the privilege.
9. If any party intends to use Confidential and/or Highly Confidential material at hearings in this proceeding, or in any judicial review proceeding arising therefrom, the party so intending shall submit any proposed exhibits or other documents setting forth or revealing such Confidential and/or Highly Confidential material to any Administrative Law Judge, the Board, or the court, with a written request that the Judge, the Board, or the court: (a) restrict attendance at the hearings during discussion of such Confidential and/or Highly Confidential material; and (b) restrict access to the portion of the record or briefs reflecting discussion of such Confidential and/or Highly Confidential material in accordance with the terms of this Protective Order.
10. If any party intends to use Confidential and/or Highly Confidential material in the course of any deposition in this proceeding, the party so intending shall so advise counsel for the party producing the materials, counsel for the deponent, and all other counsel attending the deposition, and all portions of the deposition at which any such Confidential and/or Highly Confidential material is used shall be restricted to persons who may review the material under this Protective Order. All portions of deposition transcripts and/or exhibits that consist of or disclose Confidential and/or Highly Confidential material shall

be kept under seal and treated as Confidential and/or Highly Confidential material in accordance with the terms of this Protective Order.

11. To the extent that material reflecting the terms of contracts, shipper-specific traffic data, other traffic data, or other proprietary information is produced by a party in this or any related proceedings and is held and used by the receiving person in compliance with this Protective Order, such production, disclosure, and use of the material and of the data that the material contains will be deemed essential for the disposition of this and any related proceedings and will not be deemed a violation of 49 U.S.C. § 11904.
12. Except for this proceeding, the parties agree that if a party is required by law or order of a governmental or judicial body to release Confidential or Highly Confidential material produced by the other party or copies or notes thereof as to which it obtained access pursuant to this Protective Order, the party so required shall notify the producing party in writing within 3 working days of the determination that the Confidential material, Highly Confidential material, or copies or notes are to be released or within 3 working days prior to such release, whichever is soonest, to permit the producing party to contest the release.
13. All parties must comply with all of the provisions stated in this Protective Order unless good cause, as determined by an Administrative Law Judge decision from which no appeal is taken or by the Board, warrants suspension of any of the provisions herein.
14. Information that is publicly available or obtained outside of this proceeding from a person with a right to disclose it shall not be subject to this Protective Order even if the same information is produced and designated as Confidential or Highly Confidential in this proceeding.
15. A Confidential or Highly Confidential designation may be removed by consent of a party who asserts the confidential, proprietary, or commercially sensitive interest, or, absent such consent, by appropriate Order of the Board, or an Administrative Law Judge from which no appeal is taken, upon application of a party seeking to remove such designation.
16. Each party has a right to view its own data, information and documentation, even if that data, information and documentation has been designated as Highly Confidential by a producing party, without securing prior permission from the producing party.

**UNDERTAKING
CONFIDENTIAL MATERIAL**

I, _____, have read the Protective Order served _____, governing the production of confidential documents in STB Docket No. 42072, understand the same, and agree to be bound by its terms. I agree not to use or permit the use of any confidential data or information obtained pursuant to this Undertaking, or to use or permit the use of any techniques disclosed or information learned as a result of receiving such data or information, for any purposes other than the preparation and presentation of evidence and argument in STB Docket No. 42072 or any judicial review proceeding arising therefrom. I further agree not to disclose any confidential data or information obtained under this Protective Order to any person who is not also bound by the terms of the Order and has not executed an Undertaking in the form hereof. At the conclusion of this proceeding and any judicial review proceeding arising therefrom, I will promptly destroy any copies of such designated documents obtained or made by me or by any outside counsel or outside consultants working with me, provided, however, that outside counsel (but not outside consultants) may retain file copies of its work product and of pleadings and evidence filed with the Board, and in-house counsel may retain file copies of all pleadings and evidence containing confidential material it received during the course of this proceeding. I further understand that a party may retain its own confidential material.

I understand and agree that money damages would not be a sufficient remedy for breach of this Undertaking and that a party which asserts the confidential interest shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. I further agree to waive any requirement for the securing or posting of any bond in connection with such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Undertaking but shall be in addition to all remedies available at law or equity.

Dated: _____

**UNDERTAKING
HIGHLY CONFIDENTIAL MATERIAL**

As outside [counsel] [consultant] for _____, for which I am acting in this proceeding, I have read the Protective Order served _____, governing the production of confidential documents in STB Docket No. 42072, understand the same, and agree to be bound by its terms. I also understand and agree, as a condition precedent to my receiving, reviewing, or using copies of any documents designated "HIGHLY CONFIDENTIAL," that I will limit my use of those documents and the information they contain to the preparation and presentation of evidence and argument in STB Docket No. 42072 and any judicial review proceeding arising therefrom, that I will take all necessary steps to assure that said documents and information will be kept on a confidential basis by any outside counsel or outside consultants working with me, that under no circumstances will I permit access to said documents or information by personnel of my client, its subsidiaries, affiliates, or owners, except as otherwise provided in the Protective Order, and that at the conclusion of this proceeding and any judicial review proceeding arising therefrom, I will promptly destroy any copies of such designated documents obtained or made by me or by any outside counsel or outside consultants working with me, provided, however, that outside counsel (but not outside consultants) may retain file copies of its work product and of any pleadings and evidence filed with the Board. I further understand that I must destroy all notes or other documents containing such highly confidential information received from the other party in compliance with the terms of the Protective Order. Under no circumstances will I permit access to documents designated "HIGHLY CONFIDENTIAL" by, or disclose any information contained therein to, any persons or entities for which I am not acting in this proceeding.

I understand and agree that money damages would not be a sufficient remedy for breach of this Undertaking and that a party which asserts the highly confidential interest shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. I further agree to waive any requirement for the securing or posting of any bond in connection with such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Undertaking but shall be in addition to all remedies available at law or equity.

OUTSIDE [COUNSEL][CONSULTANT]

Dated: _____