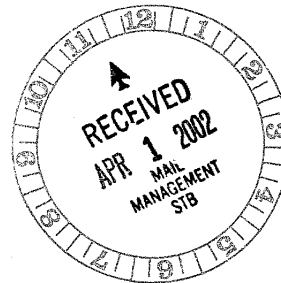


March 20, 2002



VIA TELECOPIER

205104

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

ENTERED
Office of the Secretary

APR 02 2002

Part of
Public Record

Re: Docket No. 42070, Duke Energy Corporation v.
CSX Transportation, Inc.

Dear Secretary Williams:

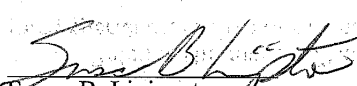
The undersigned are writing jointly to address certain statements made in Ms. Livingston's letter of March 12, 2002 and Mr. Slover's letter of March 19, 2002. Yesterday, our firms had an opportunity to discuss these letters, and have resolved this matter to their mutual satisfaction.

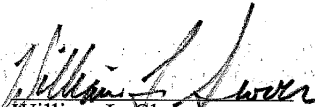
The purpose of the instant letter is to clarify the record with respect to this matter. The statement in Ms. Livingston's letter with regard to the Highly Confidential designation under the Protective Order was merely intended to emphasize Southern Company's generic and sincere concern about disclosing highly sensitive competitive information. It was not at all intended to imply in any way that Slover & Loftus would not comply with all of the terms of the Protective Order. Any suggestion otherwise was unintended and is regretted.

The statement in Mr. Slover's letter concerning responsible representation was premised on reading Ms. Livingston's letter as suggesting that Slover & Loftus might not honor its obligations under the Protective Order. Since no such suggestion was intended, the statement in Mr. Slover's letter was unwarranted and is hereby retracted.

Balch & Bingham LLP and Slover & Loftus have worked together on other matters, and based upon that experience, each of our firms has the highest regard for the ethical standards and practices maintained by the other firm's attorneys.

Respectfully submitted,


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Paul A. Hemmersbaugh, Esq.
Paul R. Kinney, Esq.