

SIDLEY AUSTIN BROWN & WOOD LLP

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GENEVA
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LONDON

1501 K STREET, N.W.
WASHINGTON, D.C. 20005
TELEPHONE 202 736 8000
FACSIMILE 202 736 8711
www.sidley.com
FOUNDED 1866

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WRITER'S DIRECT NUMBER
(202) 736-8175

WRITER'S E-MAIL ADDRESS
pmoates@sidley.com

September 24, 2003

BY HAND DELIVERY

Honorable Roger Nober
Chairman
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

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

Dear Chairman Nober:

In accordance with your direction at the conclusion of the oral argument in the above-captioned case, Mr. Slover and I submit this letter report to you jointly with the concurrence of our respective clients, CSX Transportation, Inc. and Duke Energy Corporation:

Since the close of the oral argument on September 10, the parties have conferred several times regarding the possibility of settling this dispute. However, at this time a resolution does not appear to be imminent.

Both parties remain willing to discuss this matter. Should the parties believe at some point that mediation might be of assistance in resolution, they would immediately contact your office.

Sincerely yours,

G. Paul Moates

cc: William L. Slover, Esq.