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November 12, 2003

BY HAND DELIVERY

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

Re: Docket No. 42072, *Carolina Power & Light Company v. Norfolk Southern Railway Company*

Dear Mr. Secretary:

This letter responds to the Board's decision of October 28, 2003, in this proceeding directing each party to advise the Board of the name of its speaker and to provide a summary of points to be discussed. C. Michael Loftus of Slover & Loftus will speak on behalf of Complainant Carolina Power & Light Company ("CP&L").

CP&L's argument will focus on the application of the Stand-Alone Cost constraint of the Board's Coal Rate Guidelines to the facts of record in this proceeding. Also, in light of the recent decision in Docket No. 42069, Duke Energy Corporation v. Norfolk Southern Railway Company, CP&L will address why its case is distinguishable from Duke's and, on certain issues, why CP&L believes that the Duke decision was in error.

Honorable Vernon A. Williams
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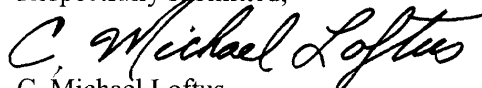
Specific points CP&L wishes to discuss include the following:

1. The extremely high level of the challenged rates;
2. The reasonableness of CP&L's operating plan to serve the traffic handled by the Piedmont & Sand Hills Railroad ("P&SH");
3. The evidence of the parties concerning certain SAC operating expense issues, in particular, maintenance of way costs, and the reasons why CP&L's evidence should be accepted;
4. The proper indexing methodology for P&SH's revenues and operating expenses over the 20-year DCF period; and
5. The reasons why the challenged rates should not be utilized by the Board for purposes of applying its percentage reduction methodology to derive maximum reasonable rate levels.

CP&L intends to reserve a portion of its argument time for rebuttal.

We would welcome any guidance the Board might wish to provide as to particular issues it would like to have addressed that are not listed in this letter.

Respectfully submitted,


C. Michael Loftus

CML/jwp

cc: G. Paul Moates, Esq. (by hand delivery)