

KELLOGG, HUBER, HANSEN, TODD, EVANS & FIGEL, P.L.L.C.

SUMNER SQUARE
1615 M STREET, N.W.
SUITE 400
WASHINGTON, D.C. 20036-3209

(202) 326-7900

FACSIMILE:
(202) 326-7999

(202) 326-7951

dfrederick@khhte.com

October 5, 2006

By E-Mail and First Class Mail

Ralph I. Lancaster, Jr., Esquire
Pierce Atwood
One Monument Square
Portland, ME 04101

Re: *New Jersey v. Delaware*, No. 134 Original

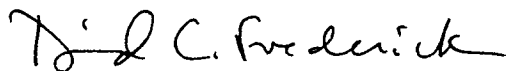
Dear Mr. Lancaster:

As New Jersey will also report to you today, the parties have reached agreement on a revised deposition schedule for all New Jersey and Delaware fact witnesses. The parties have also agreed, subject to your approval, that the fact discovery deadline should be extended from October 20 until November 3, 2006.

Delaware and New Jersey have different views on the remaining schedule. Although we believe that the parties are in agreement that expert reports should be exchanged no later than November 8, 2006, Delaware proposes that the period for expert discovery should close on December 1, 2006, and that case dispositive motions should be filed on or before December 15, 2006. This represents a modest extension of the existing schedule. New Jersey believes a longer extension is warranted.

Delaware respectfully requests that the Special Master approve the dates that have been agreed to by the parties, and decide which of the competing proposals should be adopted to control the remaining schedule.

Respectfully submitted,



David C. Frederick

cc: Rachel J. Horowitz, Esquire
Barbara Conklin, Esquire
Collins J. Seitz, Jr., Esquire