



A PROFESSIONAL ASSOCIATION | ATTORNEYS AT LAW

RECEIVED

DEC 9 2008

KLM

James W. Sheedy
Lic. in SC Only
Direct: 704 341 2102
Fax: 704 341 2105
jimsheedy@driscollsheedy.com

Ballantyne: 11520 N. Community House Road
Suite 200 | Charlotte, NC 28277
Rock Hill: 140 E. Main Street
Suite 210 | Rock Hill, SC 29730
www.driscollsheedy.com

December 3, 2008

By E-mail and First-Class Mail

Kristin Linsley Myles, Special Master
Munger, Tolles & Olson LLP
560 Mission Street, Twenty-Seventh Floor
San Francisco, California 94105-2907

Re: State of South Carolina v. State of North Carolina, No. 138, Original

Dear Special Master Myles:

We hereby set forth a Joint Progress Report from intervenors City of Charlotte, North Carolina (Charlotte), Catawba River Water Supply Project (CRWSP) and Duke Energy Carolinas, LLC (Duke) (collectively, Intervenors).

Although Intervenors have not previously adopted the progress report numbering used by South Carolina and North Carolina, Intervenors hereby do so and intend to continue that practice, for ease of reference by all parties in the case. This is Intervenors' Joint Progress Report No. 9.

We are pleased that an agreement has been reached among Intervenors, South Carolina and North Carolina on a Joint Proposed Case Management Plan which has been submitted to you for approval. Should you have any questions or concerns about this Case Management Plan, we look forward to discussing the Plan with you during the next telephonic hearing, which is on December 5, 2008.

We are also pleased that document discovery in accordance with Case Management Order No. 7 is continuing among the parties without any pending disputes requiring judicial assistance. Charlotte made its first production to South Carolina in November and continues to gather responsive documents. A second production will be made shortly. CRWSP was served on October 20, 2008 with South Carolina's First Set of Document Requests to CRWSP. South Carolina graciously extended CRWSP's time for a written response, and CRWSP served its response on November 21, 2008. CRWSP's response calls for South Carolina and CRWSP to meet and confer, which will occur and be ongoing. Duke has continued to gather documents responsive to South Carolina's requests for production and anticipates making a fourth

Special Master Kristin Linsley Myles

December 3, 2008

Page 2

production in the near future. Intervenors may be propounding document requests upon South Carolina in the near future.

Intervenors hope and expect South Carolina will be coordinating its document production received pursuant to subpoenas served by it upon the North Carolina cities of Concord, Kannapolis, Mooresville and Statesville, as well as a private entity, Great Wolf Resorts, so that other parties in the case will be provided copies.

During the last telephonic hearing, you informed counsel for the parties of your proposed interim allocation of fees and costs, and invited the parties to respond in writing, which they have done.

On November 26th, all parties in the case received the First Interim Report of the Special Master.

Sincerely,

A handwritten signature in black ink, appearing to read 'James W. Sheedy', written over a printed name.

James W. Sheedy

cc: All Counsel of Record