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October 22, 2008

By E-Mail and First Class Mail

Special Master Kristin L. Myles
Munger, Tolles & Olson LLP
560 Mission Street, 27th Floor
San Francisco, California 94105

**Re: *South Carolina v. North Carolina*, No. 138, Original:
South Carolina's Eighth Progress Report**

Dear Special Master Myles,

In advance of the telephonic hearing scheduled for Friday, October 24, 2008, we respectfully submit South Carolina's eighth progress report.

Discovery is ongoing. South Carolina is collecting additional documents in order to supplement its initial document production and understands that North Carolina is doing the same to supplement its initial production. South Carolina recently received limited intervenor Duke's third production of documents and is beginning to review them. South Carolina served document requests on limited intervenor the City of Charlotte on July 1, 2008, but still has yet to receive any documents, even those not subject to any objection interposed by Charlotte. In the last month, South Carolina has met and conferred with Charlotte, has exchanged letters with Charlotte concerning document production issues, and was informed today that Charlotte intends to produce some documents within approximately two weeks and to follow up with a second production approximately two weeks later. South Carolina recently served its first requests for production of documents by limited intervenor the Catawba River Water Supply Project ("CRWSP").

Following the issuance of Case Management Order ("CMO") 7 authorizing third-party subpoenas, South Carolina served third-party subpoenas on the North Carolina cities or towns of Concord, Kannapolis, Mooresville, and Statesville, as well as on Great Wolf Resorts. Earlier today, South Carolina met and conferred with counsel for the cities of Concord and Kannapolis concerning the subpoenas to those entities. South Carolina has also had preliminary discussions with counsel to Great Wolf Resorts.

As noted in our seventh progress report dated September 24, 2008, pursuant to paragraph 2 of CMO 7, South Carolina transmitted to North Carolina and limited intervenors proposed

Special Master Kristin L. Myles

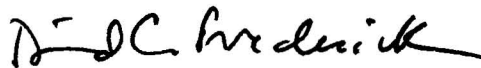
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edits to the Case Management Plan incorporating the Special Master's rulings concerning limited intervenors' participation pending the Court's resolution of the intervention issues. South Carolina looks forward to receiving a response to that proposal so the Case Management Plan can be reviewed and entered, as appropriate, by the Special Master as an order.

Finally, in the last conference call, the Special Master requested a list of all Supreme Court equitable apportionment cases, which counsel for CRWSP offered to compile as an initial matter for review among the party States and limited intervenors, and subsequent joint submission to the Special Master. South Carolina received CRWSP's list earlier today and will review and respond to it as soon as possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D.C. Frederick". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

David C. Frederick

*Special Counsel to the
State of South Carolina*

cc: Enclosed Service List

IN THE
SUPREME COURT OF THE UNITED STATES

No. 138, Original

STATE OF SOUTH CAROLINA,
Plaintiff,

v.

STATE OF NORTH CAROLINA,
Defendant.

CERTIFICATE OF SERVICE

Pursuant to Rule 29.5 of the Rules of this Court, I certify that all parties required to be served have been served. On October 22, 2008, I caused copies of South Carolina's Eighth Progress Report to be served by first-class mail, postage prepaid, and by electronic mail (as designated) on those on the attached service list.



Scott K. Attaway
*Special Counsel to the
State of South Carolina*

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