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March 5, 2013

VIA ELECTRONIC FILING

Rosemary Chiavetta, Esquire
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2 North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: US Industrial Reit II
Docket No. A-2013-2341241

Dear Secretary Chiavetta:

Enclosed for filing in the above-referenced proceeding please find the Prehearing Memorandum of US Industrial Reit II.

Copies will be provided to the persons as indicated on the enclosed Certificate of Service.

Respectfully submitted,

Elizabeth U. Witmer

EUW/ilg
Enclosure
cc(w/encl): Honorable David A. Salapa
PPL Electric Utilities Corporation
Certificate of Service

Trustee of the Residuary Trust of James C. Arthur	:	
	:	
	:	
Anthony J. Lupas, Jr. and Lillian Lupas John Lupas and Judy Lupas, Grace Lupas, Eugene A. Bartoli and Robert J. Fankelli	:	A-2012-2341118
	:	
	:	
Ronald G. Sidovar and Gloria J. Sidovar	:	A-2012-2341120
	:	
FR First Avenue Property Holding, LP	:	A-2012-2341123
	:	
Transcontinental Gas Pipe Line Corporation	:	A-2013-2341208
	:	
William Petrouleas and Joanna Petrouleas	:	A-2013-2341209
	:	
Peter Palermo and Francine Palermo	:	A-2013-2341211
	:	
Christopher Maros and Melinda Maros	:	A-2013-2341213
	:	
Dianna L. Doss	:	A-2013-2341214
	:	
Donald Januszewski	:	A-2013-2341215
	:	
International Consolidated Investment Company	:	A-2013-2341216
	:	
Bradley D. Hummel	:	A-2013-2341220
	:	
Michael Palermo and Joanne Palermo	:	A-2013-2341221
	:	
Roberta Searfoss a/k/a Judy Searfoss Executrix of the Estate of Euylla Hughes a/k/a Eylla Hughes	:	A-2013-2341232
	:	
	:	
John F. and Veronica Iskra	:	A-2013-2341233
	:	
Michael A. Mitch and Sue K. Mitch	:	A-2013-2341234
	:	
Clifton Acres, Inc.	:	A-2013-2341236
	:	
Dietrich Hunting Club	:	A-2013-2341237
	:	
Art Borrower Propco 2010-5 LLC	:	A-2013-2341238
	:	

NLMS, Inc.	: A-2013-2341239
US Industrial Reit II	: A-2013-2341241
Ronald Solt	: A-2013-2341249
Merel J. and Arlene J. Swingle	: A-2013-2341250
Edward R. Schultz	: A-2013-2341253
Donald W. Henderson and Louis Bellucci	: A-2013-2341262
Fr E2 Property Holding LP	: A-2013-2341263
Sylvester J. Coccia	: A-2013-2341267
Lawrence Duda	: A-2013-2341271
Mark M. Mack, J. Dean Mack and Heather K. Mack	: A-2013-2341272
Blue Ridge Real Estate	: A-2013-2341277
James L. and Michaelene J. Butler	: A-2013-2344353
Susan Butler Reigeluth Living Trust	: A-2013-2344604
Blueberry Mountain Realty, LLC	: A-2013-2344605
Grumble Knot, LLC	: A-2013-2344612
Pennsylvania Glacial Till, LLC	: A-2013-2344616
Chris and Melinda Maros	: C-2012-2305047
v.	
PPL Electric Utilities Corporation	
Joe and Vanessa Caparo	
v.	
PPL Electric Utilities Corporation	: C-2012-2276713

PREHEARING MEMORANDUM OF US INDUSTRIAL REIT II

Pursuant to 52 Pa. Code § 5.222(d), US Industrial Reit II (“US Industrial”) hereby submits this Prehearing Memorandum in the above-captioned proceedings. US Industrial intends to participate in this proceeding as an active party.

1. HISTORY OF THE PROCEEDINGS

On December 28, 2012, PPL Electric Utilities Corporation (PPL or Applicant) filed an Application at Docket No. A-2012-2340872 (the Siting Application) with the Pennsylvania Public Utility Commission (Commission) requesting authority to locate and construct the Pennsylvania portion of transmission lines associated with the proposed Northeast-Pocono Reliability Project (Northeast Pocono Line). PPL asserts that the Northeast Pocono Line is needed to resolve reliability and planning violations and to reinforce the 69 kV systems serving the Northeast Pocono region by bringing a new 230 kV supply source closer to the growing load centers. As part of the Application, PPL proposed three new transmission lines: (1) Jenkins-West Pocono Line; (2) West Pocono-North Pocono Line; and (3) North Pocono-Paupack Line.

Separately, also on December 28, 2012, PPL filed two Petitions (the Substation Petitions) at Docket Nos. P-2012-2340871 and P-2012-2341105 requesting that the Commission approve the construction of buildings to shelter control equipment associated with the West Pocono and North Pocono substations, respectively.

Also, PPL filed 37 separate Applications (the Eminent Domain Applications) relating to the proposed exercise of the power of eminent domain arising from the project. Specifically, the Application at Docket No. A-2013-2341241 seeks authorization to utilize eminent domain to take property rights regarding property owned by US Industrial.

Notice of the Applications and Petitions were published in the *Pennsylvania Bulletin* at 43 Pa. B. 397 (January 19, 2013).

Prehearing Order #1 was issued by Administrative Law Judge David A. Salapa on

January 8, 2013 consolidated the Application and two Petitions for the purposes of discovery, litigation and discussion. Prehearing Order #2 granting the consolidation of the Eminent Domain Applications and was issued by Administrative Law Judge Salapa on January 29, 2013.

US Industrial filed its Petition to Intervene on February 27, 2013.

2. PETITION TO INTERVENE OF US INDUSTRIAL

US Industrial is an affected property owner whose rights will be adversely affected if the Commission grants PPL authority to locate, construct and operate the electric lines proposed in this action. US Industrial may be directly affected by the outcome of this proceeding and its interests are not adequately represented by existing participants. US Industrial therefore seeks intervention pursuant to 52 Pa. Code §5.72(a). In addition, pursuant to 52 Pa. Code §57.75(i)(3), as the owner of property which is the subject of the Eminent Domain Application at Docket No. A-2012-2341241, US Industrial has automatic standing to participate as a party with regard to the Application.

US Industrial respectfully request that its Petition to Intervene be granted and that US Industrial be granted full party status.

3. SERVICE ON US INDUSTRIAL

US Industrial is represented by the undersigned counsel who are authorized to accept service on behalf of US Industrial in this proceeding. US Industrial requests that the Commission and all parties of record serve copies of all documents electronically on its counsel of record, as well as by hard copy.

4. ANTICIPATED ISSUES AND SUB-ISSUES

US Industrial's position in this proceeding is to ensure that PPL's proposed construction has no adverse impact on US Industrial's property rights, use or future development of the US Industrial property, which is already developed with a building and appurtenant facilities, some of which appear to be affected by the proposed condemnation. Due to the early state of the proceeding, US Industrial reserves the right to finalize its position after it has had an opportunity to further evaluate PPL's filings, conduct discovery and review additional information that be provided, and to raise and/or address additional issues that may be identified by other parties.

5. PROPOSED WITNESSES

US Industrial is in the process of evaluating whether it will sponsor testimony in this proceeding. In the event US Industrial decides to sponsor testimony, it will inform the parties and Administrative Law Judge Salapa as soon as possible of the intended witness(es) and topic of testimony.

US Industrial further reserves the right to participate in this proceeding through the submission of discovery, cross-examination of the parties' witnesses, and the submission of briefs, reply briefs, exceptions and reply exceptions, if necessary.

6. PROPOSED SCHEDULE AND DISCOVERY RULES

US Industrial joins in OCA's request for an abbreviated caption in this matter.

US Industrial is willing to accept whatever schedule the other parties to this proceeding are willing to arrange, or Administrative Law Judge Salapa otherwise directs. US Industrial has reviewed and has no objection to the proposed schedule as set forth in Prehearing Order No. 1.

US Industrial requests that all parties of record serve copies of all discovery requests and answers electronically on its counsel of record as well as by hard copy.

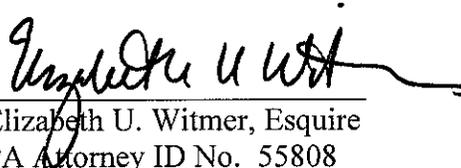
7. **POSSIBILITY OF SETTLEMENT**

US Industrial generally believes that most, if not all, issues in this proceeding relevant to it are reasonably susceptible to mutual resolution and agrees to participate in any process designed to achieve that goal.

Respectfully submitted,

SAUL EWING LLP

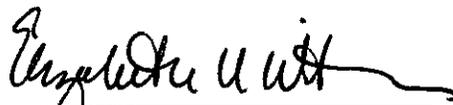
Dated: March 5, 2013


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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Prehearing Memorandum of US Industrial Reit II has been served upon the following persons on the attached service list by First-Class Mail, postage prepaid, in accordance with the requirements of §1.54 (relating to service by a participant).

Dated: March 5, 2013



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Attn. Office of Field Operations

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