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CASE MANAGEMENT

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May 1, 2014

Via Electronic and FedEx Overnight Mail

Kristi Izzo, Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey 08625

TF14050401

Re: In the Matter of the Verified Petition of Zayo Group, LLC, for Approval to Expand its Financing Arrangements

Dear Secretary Izzo:

Enclosed herewith, on behalf of Petitioner Zayo Group, LLC, please find the original and 11 copies of a Petition in connection with the above-captioned matter.

It would be appreciated if you would kindly date stamp the extra copy of this letter and said Petition as "FILED" and return same in the envelope provided herein.

As always, should you require any further information, please do not hesitate to contact me.

Very truly yours,



Dennis C. Linken
For the Firm

CMS
Beslow (2)
DAG
RPA
M. Beyer
B. Wojciak
J. DeLuca
TELEC

DCL/dp

Enc.

- cc: Mark C. Beyer, Chief Economist (w/enc. via FedEx overnight)
- Robert Wojciak, Supervising Accountant (w/enc. via FedEx overnight)
- Anthony B. Centrella, Director (w/enc. via FedEx overnight)
- James F. Murphy, Chief (w/enc. via FedEx overnight)
- Christopher J. White, Deputy Public Advocate (w/enc. via first class mail)

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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I/M/O of the Verified Petition of

Zayo Group, LLC

for Approval to Expand its Financing
Arrangements

Docket No. _____

VERIFIED PETITION

Zayo Group, LLC (“Zayo” or “Petitioner”), by undersigned counsel and pursuant to New Jersey Statutes, N.J.S.A. 48:3-7 and N.J.S.A. 48:3-9, and the regulations of the New Jersey Board of Public Utilities (“Board”), hereby requests that the Board expand its existing authority for financing arrangements by \$550 Million to an aggregate amount of \$3.82 Billion.

In support of this Petition, Petitioner provides the following information:

I. DESCRIPTION OF THE PETITIONER

Zayo is a Delaware limited liability company with principal offices at 1805 29th Street, Boulder, Colorado 80301. Zayo is a wholly-owned subsidiary of Zayo Group Holdings, Inc., a Delaware corporation and wholly-owned subsidiary of Communications Infrastructure Investments, LLC (“CII”), a Delaware limited liability company. CII has no majority owner.

Zayo is a provider of bandwidth infrastructure and network neutral collocation and interconnection services over regional and metropolitan fiber networks. These services enable customers to manage, operate, and scale their telecommunications and data networks. Such customers consist primarily of wireless service providers, national and regional telecommunications carriers and other communications service providers, media and content companies, schools, hospitals, governments, banks and other bandwidth-intensive enterprises.

In New Jersey, Zayo is authorized to provide local exchange and interexchange telecommunications services pursuant to Board authorization granted in Docket No. TE11020049 on May 16, 2011. Zayo is also authorized by the FCC to provide domestic and international telecommunications services. Additional information concerning Zayo's legal, technical, managerial and financial qualifications has been submitted to the Board with various prior filings with respect to Zayo's certification and various transactions and is therefore already a matter of public record. Petitioner requests that the Board take official notice of these existing descriptions of Zayo's qualifications and incorporate them by reference herein. In support of its financial qualifications, a copy Zayo's consolidated financial statements (excluding notes) from its most recent SEC Form 10-Q is attached hereto as Exhibit A.¹

II. DESIGNATED CONTACTS

Questions, correspondence or other communications concerning this Petition should be directed to Petitioners' counsel of record:

Dennis C. Linken, Esq.
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Lyndhurst, NJ 07071-0790
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¹ A complete copy of Zayo's most recent SEC Form 10-Q is available at <http://www.sec.gov/Archives/edgar/data/1502756/000150275614000007/0001502756-14-000007-index.htm> and its most recent SEC Form 10-K is available at [http://zayo.uldev.co/images/uploads/resources/Financial_Reports/FY4Q2013/Annual/FY_2013_Annual_Report_10-K_\(PDF\).pdf](http://zayo.uldev.co/images/uploads/resources/Financial_Reports/FY4Q2013/Annual/FY_2013_Annual_Report_10-K_(PDF).pdf).

with copies to:

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and:

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Zayo Group, LLC
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III. DESCRIPTION OF THE FINANCING ARRANGEMENTS

By this Petition, Zayo seeks Board approval to expand its existing authority for financing arrangements by an additional \$550 Million to an aggregate amount of \$3.82 Billion. The Board has previously authorized Zayo to enter into financing arrangements in an aggregate amount of \$3.27 Billion. Specifically, on January 29, 2014 the Board authorized Zayo to borrow and pledge its assets as security up to an aggregate amount of \$3.27 Billion with flexibility within that aggregate amount to negotiate particular market-based terms within the a range described in its petition.² By this Petition, Zayo now seeks to increase this existing authority by \$550 Million for an aggregate amount of \$3.82 Billion in financing arrangements.

In order to maintain adequate flexibility to respond to market conditions and requirements and to respond to new acquisition and other business opportunities, Zayo seeks authorization for financing arrangements in the aggregate amount of \$3.82 Billion as described generally below:

Debt Instruments: Petitioner seeks authorization to incur indebtedness, in the aggregate amount of \$3.82 Billion, in the form of notes or debentures (including notes convertible into equity and private notes that may be exchanged for public notes); conventional credit facilities, such as revolving credit facilities and term loans; letters of credit; and bridge loans; or a combination thereof.

² Docket No. TF13121153.

Maturity: Zayo expects that the financing arrangements will consist solely of long-term indebtedness with a maturity date between six (6) and eight (8) years after issuance, depending on the type of facility. But, to maintain flexibility, Zayo seeks authorization for indebtedness that matures up to eight (8) years after issuance.

Interest: Any interest rate will likely be the market rate for similar financings and will not be determined until the financing is finalized. Petitioner seeks authorization to incur indebtedness that, depending on the type of debt securities, facility(ies) or other arrangements, accrues interest at a rate(s) that may be fixed (typically set at signing or closing based on then current market conditions) or floating (consisting of a base rate, which will float with a rate index such as LIBOR or Federal Funds Rate, plus an applicable margin), or a combination of fixed rates and floating rates. To maintain flexibility, Zayo seeks authorization for financing arrangements at an interest rate(s) at the then current market conditions.

Security: Some or all of the financing arrangements will be secured facilities, which will include a grant of a security interest in the assets of Zayo and its current and future subsidiaries. A portion of the financing arrangements (currently \$500 Million) may be unsecured facilities. For the secured facilities, the stock of Zayo and its subsidiaries may also be pledged as additional security. Additionally, it is expected that Zayo's current and future subsidiaries will provide a guaranty as security for the full \$3.82 Billion in financing arrangements. Petitioner seeks authorization to secure the full \$3.82 Billion of the financing arrangements with security interests in the assets of Zayo and its current and future subsidiaries.

Purpose: The financing arrangements may be used for acquisitions, working capital requirements and general corporate purposes of the company.

Petitioner therefore requests Board authorization, to the extent necessary, for Zayo to increase the aggregate amount of its financings by an additional \$550 Million and thereby to incur debt and pledge its assets as security for financing arrangements in an aggregate amount of \$3.82 Billion consistent with the parameters outlined above, which increased amount includes the \$3.27 Billion previously authorized by the Board.

IV. PUBLIC INTEREST CONSIDERATIONS

Approval of the financing arrangements will serve the public interest in promoting competition among telecommunications carriers by providing Petitioner and its subsidiaries with access to greater financial resources that will allow Zayo to become a more effective competitor to larger incumbent telecommunications providers. Among other things, the increased financing

arrangements may be used to fund future acquisitions, to support strategic growth initiatives, to provide for ongoing working capital, and for other corporate purposes. The financing arrangements are necessary and appropriate, are consistent with the performance by Petitioner of its services to the public, will not impair Zayo's ability to perform such services, and will promote the corporate purposes of Petitioner. The financings will be transparent to Zayo's customers and will not disrupt service or cause customer confusion or inconvenience.

V. CONCLUSION

For the foregoing reasons, Petitioner submits that the public interest, convenience, and necessity would be furthered by grant of this Petition, expanding Petitioner's authorization to enter into financing arrangements consistent with the parameters outlined herein by \$550 Million, to an aggregate amount of \$3.82 Billion.

Respectfully submitted,

Scarinci & Hollenbeck, LLC
Attorneys for Petitioners
Zayo Group, LLC

BY: 

Dennis C. Linken

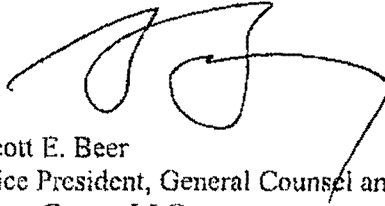
Dated: May 1, 2014

STATE OF COLORADO
COUNTY OF BOULDER

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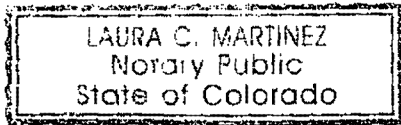
VERIFICATION

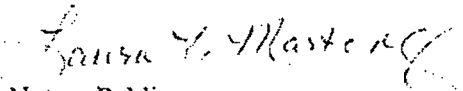
I, Scott E. Beer, am Vice President, General Counsel and Secretary of Zayo Group, LLC and its subsidiaries (collectively, the "Company"); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Scott E. Beer
Vice President, General Counsel and Secretary
Zayo Group, LLC

Sworn and subscribed before me this 1st day of May, 2014.




Notary Public
20054011170

My commission expires 04/01/2016