

LAURA M. MILLER | Counsel
lmiller@sh-law.com
Direct Phone: 201-896-7121 | Fax: 201-896-7122

RECEIVED
CASE MANAGEMENT

RECEIVED
MAIL ROOM

JUN 25 2019

JUN 25 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

June 24, 2019

Via Electronic (aida.camacho@bpu.nj.gov) and FedEx Overnight Mail

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
Trenton, NJ 08625

+M19060749

Re: I/M/O the Verified Joint Petition of Zayo Group, LLC and Front Range TopCo, Inc. for Approval of the Transfer of Indirect Control of Zayo Group, LLC to Front Range topCo, Inc.
File No. 41049.1200

Dear Secretary Camacho-Welch:

On behalf of Petitioners, Petitioners Zayo Group, LLC and Front Range TopCo, Inc., enclosed please find an original and 11 copies of their Verified 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 the documents in the self-addressed stamped envelope enclosed herein for your convenience.

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

I thank you for your kind attention.

Very truly yours,



Laura M. Miller
For the Firm

LMM/dp

enc.

cc: Lawanda R. Gilbert, Director (w/enc. lawanda.gilbert@bpu.nj.gov and FedEx)
Harold Bond, Chief, Engineering and Rates (harold.bond@bpu.nj.gov)
Rocco Della Serra, Administrative Analyst II (w/enc. rocco.dellaserra@bpu.nj.gov and FedEx)
Dr. Ben Witherell, Director (w/enc. ben.witherell@bpu.nj.gov and FedEx)
Christine Lin, Administrative Analyst (w/enc. christine.lin@bpu.nj.gov and FedEx)
Stefanie A. Brand, Director (w/enc. sbrand@rpa.nj.gov and FedEx)
Maria T. Novas-Ruiz, Assistant Deputy Rate Counsel (w/enc. mnovas-ruiz@rpa.nj.gov and FedEx)

4844-4381-9675, v. 1

Cms
LEGAL
DIAG
RPA
L. GILBERT
H. Bond
R. DELLA SERRA
TELEC
B. Witherell

RECEIVED
MAIL ROOM

JUN 25 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

I/M/O of the Verified Joint Petition of

Zayo Group, LLC

and

Front Range TopCo, Inc.

for Approval of the Transfer of Indirect Control
of Zayo Group, LLC to Front Range TopCo,
Inc.

Docket No. _____

**TO THE HONORABLE COMMISSIONERS OF THE NEW JERSEY BOARD OF
PUBLIC UTILITIES.**

VERIFIED JOINT PETITION

Front Range TopCo, Inc. (“Transferee” or “Front Range”) and Zayo Group, LLC (“ZGL”) (together, “Petitioners”), pursuant to N.J.S.A. 48:2-51.1 and N.J.S.A. 48:3-10 and the regulations of the Board of Public Utilities (“Board”), request approval for the proposed transfer of indirect control of ZGL to Transferee (the “Transaction”).¹

In support of this Petition,² Petitioners provide the following information:

¹ An indirect subsidiary of ZGL, Electric Lightwave, LLC, provides resold telecommunications services in New Jersey pursuant to an Authorized Resale Carrier Letter Acknowledgement but does not hold a certificate from the Board. Because Electric Lightwave, LLC does not hold a certificate, Petitioners believe that Board approval is not required for the proposed transfer of indirect control of Electric Lightwave, LLC to Transferee. To the extent the Board determines approval is necessary, Petitioners and Electric Lightwave, LLC request that the Board include Electric Lightwave, LLC as a Petitioner herein and grant such approval.

² A separate Petition seeking approval for ZGL to participate in certain financing arrangements concurrently with or following completion of the Transaction (the “Financing Petition”) is being concurrently filed. Approval of the Financing Petition is not a condition to closing the Transaction and the Financing Petition should be considered separately from, and in no way delay Board action on, this Petition.

I. DESCRIPTION OF THE PETITIONERS

A. Front Range TopCo, Inc.

Front Range, a Delaware corporation, is a holding company created for purposes of the Transaction to aggregate the ownership of various investment and co-investment vehicles ultimately managed by (i) affiliates of EQT AB (“EQT”) and (ii) affiliates of Digital Colony GP, LLC (“Digital Colony”). Front Range has a principal office located at c/o EQT Partners, 1114 Avenue of the Americas, 45th Floor, New York, New York 10036.

The equity in Front Range, and thus in ZGL’s parent, Zayo Group Holdings, Inc. (“ZGH”) indirectly, will be shared amongst affiliates of EQT and Digital Colony with each holding approximately 45.3% percent of the equity; FMR, LLC, an affiliate of Fidelity Investments, will hold approximately 7.6% percent of the equity; and ZGH’s current management team will hold the remaining equity (approximately 1.8%). EQT and Digital Colony will exercise control of Front Range, and thus ZGH through the General Partner of an intermediate Delaware partnership – Front Range JV, LP that aggregates the investment from the affiliates of EQT and Digital Colony and FMR. The Board of Directors of Front Range JV GP, LLC (the “GP”) — the General Partner of Front Range JV, LP — will be comprised of ten members: EQT and Digital Colony will each nominate four Directors, FMR will nominate a single director, and the non-executive independent Chairman will be selected by consensus between EQT and Digital Colony jointly, with EQT having the right to nominate and Digital Colony the right to approve the Chairman. Thus EQT and Digital Colony each share approximately 45% control through the GP.

EQT, founded in Sweden in 1994, is a leading alternative investments firm with approximately EUR 61 billion in raised capital across 29 funds. EQT funds have portfolio companies in the United States, Europe, and Asia with total sales of more than EUR 40 billion and approximately 110,000 employees. Investment funds managed by affiliates of EQT have

successfully invested in several fiber-based companies in the United States, including SEGRA (formerly Lumos Networks Corp. and Spirit Communications), and abroad, including BroadNet/GlobalConnect (Denmark, Germany, Norway); IP-Only (Sweden, Denmark, Finland, Norway); Adamo Telecom Iberia SA (Spain); Delta Fiber NL (Netherlands); and Bjørvika IKT AS (Norway). Currently, each of these companies operate independently of each other, and following the Transaction each of these companies and ZGL will continue to operate independently with independent management teams.

Digital Colony, a Delaware limited liability company, is a global investment firm dedicated to strategic opportunities in digital infrastructure. The firm was launched in 2018 by Digital Bridge Holdings, LLC (“Digital Bridge”), a leading investor in, and operator of, companies enabling the next generation of mobile and Internet connectivity, and Colony Capital, Inc. (NYSE: CLNY) a leading global real estate and investment management firm. The firm brings together Digital Bridge’s industry, operational, and investment expertise in the telecommunications sector with Colony Capital’s 26 years of experience as a global investment manager.

Digital Colony and Digital Bridge possess a long record of accomplishment of successful investment in communications infrastructure companies in the United States and abroad. Digital Colony has invested in Cogeco Peer 1, a Canadian data center and fiber network operator; Andean Telecom Partners (formerly Andean Tower Partners) (a mobile and internet infrastructure company in Chile, Colombia, and Peru); Digita Oy (an independent tower operator in Finland); and strattoOpenCell (a provider of wireless infrastructure in the UK). Digital Bridge has also made minority investments in a number of digital infrastructure companies, including ExteNet Systems (a provider of small cell and other wireless infrastructure); Vertical Bridge (owner and operator of towers and other mobile wireless infrastructure); Mexico Tower Partners (towers and mobile wireless infrastructure); Databank (Data Center and cloud services); and Vantage (Data Centers).

Marc C. Ganzi, the Managing Partner of Digital Colony and Chief Executive Officer of Digital Bridge, prior to co-founding Digital Bridge, was the sole founder and CEO of Global Tower Partners, which grew from its inception in 2003 to become one of the largest privately-owned tower companies in the United States at the time of its sale to American Tower Corporation in 2013 for \$4.8 billion.

B. Zayo Group, LLC

ZGL, a Delaware limited liability company, is a direct subsidiary of ZGH (together with its subsidiaries, "Zayo"), a publicly-traded Delaware corporation (NYSE: ZAYO). Zayo is a leading provider of bandwidth infrastructure, network neutral colocation, and interconnection services over regional and metropolitan fiber networks. These services enable customers to manage, operate, and scale their telecommunications and data networks. Zayo's customers consist primarily of wireless service providers, national and regional communications service providers, media/Internet/content companies, schools, hospitals, governments, banks and other bandwidth-intensive enterprises. ZGH's operating subsidiaries are authorized to provide competitive local exchange, competitive access and/or interexchange services in the District of Columbia and every state except Alaska. The primary telecommunications service offerings of ZGH's operating subsidiaries include high-capacity bandwidth services such as private line, Ethernet, and wavelength services. The current ownership structure of ZGL is included at Exhibit A. Zayo's corporate headquarters is located at 1821 30th Street, Unit A, Boulder, Colorado 80301.

ZGL is a provider of bandwidth infrastructure and network neutral colocation and interconnection services over regional and metropolitan fiber networks. In New Jersey, Zayo is authorized to provide local exchange and interexchange telecommunications services pursuant to Board authorization granted 1/M/O the Petition of Zayo Group, LLC for Approval to Provide Local Exchange, Interexchange and Exchange Access Telecommunications Services Throughout the

State of New Jersey, Docket No. TE11020049 (Order dated May 16, 2011). Zayo is also authorized to provide interstate and international telecommunications services by the FCC.

Zayo has 33 employees in New Jersey.

II. DESIGNATED CONTACTS

Questions, correspondence or other communications concerning this filing should be directed to:

Dennis C. Linken
Laura M. Miller
Scarinci & Hollenbeck, LLC
1100 Valley Brook Avenue
Lyndhurst, NJ 07071-0790
201-896-7057 (tel)
201-896-7058 (fax)
dlinken@sh-law.com

Catherine Wang
Ulises R. Pin
Joshua M. Bobeck
Danielle C. Burt
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Ave., N.W.
Washington, DC 20004-2541
202-739-3000 (tel)
202-739-3001 (fax)
catherine.wang@morganlewis.com
ulises.pin@morganlewis.com
joshua.bobek@morganlewis.com
danielle.burt@morganlewis.com

With copies to:

Michael Mooney, General Counsel
Zayo Group
1821 30th Street, Unit A
Boulder, CO 80301
mike.mooney@zayo.com

III. DESCRIPTION OF THE TRANSACTION

Pursuant to an Agreement and Plan of Merger (the "Agreement"), dated May 8, 2019, by and among ZGH, Front Range, and Front Range BidCo, Inc. ("Merger Sub"),³ ZGH will be merged with and into Merger Sub with ZGH continuing its existence as the surviving corporation. The Transaction will result in ZGH transitioning from a publicly-traded company to a private company.

³ Merger Sub is a corporation organized under the laws of Delaware, formed solely for purposes of effectuating the Transaction. Merger Sub is a wholly-owned subsidiary of Front Range.

Under the terms of the Agreement, at the closing of the Transaction, ZGH shareholders will receive \$35.00 in cash per share of ZGH's common stock in a transaction valued at approximately \$14.3 billion, including the assumption of approximately \$5.9 billion of Zayo's net debt obligations. At the closing of the Transaction, ZGL will become an indirect, wholly owned subsidiary of Front Range. Diagrams depicting the current and post-Transaction corporate ownership structure of ZGL are provided at Exhibit A.

The Transaction will occur entirely at the holding company level and will have no adverse impact on ZGL's customers. As such, the Transaction will not result in service disruption, termination, or customer confusion. At this time, key members of Zayo's current management team are expected to continue to execute Zayo's strategy. The only significant change resulting from the Transaction will be that ZGH (and indirectly, ZGL) will be owned by Front Range rather than its current shareholders. Front Range and its ultimate owners are financially well-qualified to become the new owners of Zayo, and following closing of the Transaction, Zayo will enjoy access to the financial resources and broader management expertise of Front Range and its ultimate owners.

IV. PUBLIC INTEREST CONSIDERATIONS

The proposed Transaction will serve the public interest, convenience, and necessity by providing ZGL with access to Transferee's financial and operational expertise, permitting ZGL to continue to provide robust communications solutions to its customers and to better compete in the New Jersey telecommunications marketplace. Both EQT and Digital Colony have substantial experience investing in communications infrastructure companies. Zayo's current management can call on this experience as together, Zayo's current management under Transferee's ownership, will seek to build on Zayo's existing assets, support investment in new infrastructure and continue to offer innovative and high-quality services to existing customers.

The proposed Transaction will have no adverse impact on customers and will not alter the manner of service delivery or billing. At this time, Transferee expects that the key existing management personnel of Zayo will continue with Zayo post-Transaction and that the managerial, technical and operational standards of ZGL will be maintained. ZGL will continue to comply with existing contracts and tariffs, as applicable, subject to change in the ordinary course of business and in accordance with applicable law.

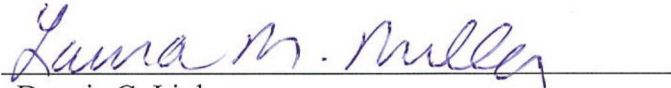
The Transaction also will serve the public interest in promoting competition among telecommunications carriers by providing ZGL with access to greater financial resources that will allow it to become a more effective competitor to larger incumbent telecommunications providers. In essence, the Transaction will make ZGL a stronger competitor and thereby benefit consumers.

Employment is a factor for the Board to consider pursuant to N.J.S.A 48:2-51.1 as well as the ability of the utility to fulfill pension obligations to its employees pursuant to N.J.S.A 48:3-10. As of this filing, Petitioners have not engaged in any material integration planning. Therefore, no current plans with regard to the New Jersey employees of Petitioners have been developed at this time. Zayo does not have an U.S. employee pension plan for New Jersey employees. Employees' existing rights in any other retirement benefit plan offered by Zayo will be retained upon completion of the Transaction.

V. CONCLUSION

For the reasons stated above, Petitioners submit that the public interest, convenience, and necessity would be furthered by grant of this Petition to transfer indirect ownership and control of Zayo Group, LLC to Front Range TopCo, Inc.

Respectfully submitted,



Joshua M. Bobeck
NJ Bar #026291992
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Ave., N.W.
Washington, DC 20004-2541
202-739-3000 (tel)
202-739-3001 (fax)
joshua.bobek@morganlewis.com

Dennis C. Linken
Laura M. Miller
Scarinci & Hollenbeck, LLC
1100 Valley Brook Avenue
Lyndhurst, NJ 07071-0790
201-896-7057 (tel)
201-896-7058 (fax)
dlinken@sh-law.com

Counsel for Front Range TopCo, Inc.


Counsel for Zayo Group, LLC

Dated: June 24, 2019

VERIFICATION

STATE OF COLORADO §
CITY OF BOULDER §

I, Michael Mooney, state that I am SVP, General Counsel and Secretary of Zayo Group Holdings, Inc., the parent company of Zayo Group, LLC (together, 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 with respect to the Company are true and correct to the best of my knowledge, information, and belief.



Michael Mooney
SVP, General Counsel and Secretary
Zayo Group Holdings, Inc.
Zayo Group, LLC

SWORN TO AND SUBSCRIBED before me on the 5 day of June, 2019.

KARA LEIGH SECORA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164001664
MY COMMISSION EXPIRES JANUARY 14, 2020



Notary Public

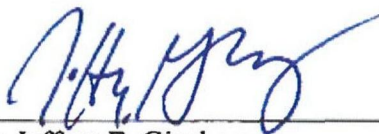
My commission expires: 1/14/2020

VERIFICATION

STATE OF FLORIDA
COUNTY OF PALM BEACH

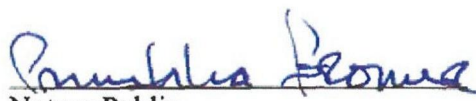
§
§
§

I, Jeffrey E. Ginsberg, state that I am Vice President and Secretary of Front Range TopCo, Inc. (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 with respect to the Company are true and correct to the best of my knowledge, information, and belief.

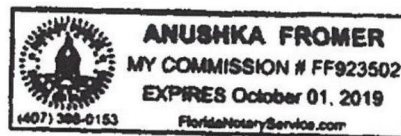


Name: Jeffrey E. Ginsberg
Title: Vice President and Secretary
Front Range TopCo, Inc.

SWORN TO AND SUBSCRIBED before me on the 20th day of June, 2019.


Notary Public

My commission expires: 10-01-2019



VERIFICATION

STATE OF NEW YORK

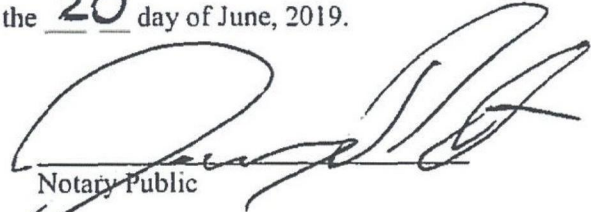
COUNTY OF KINGS

I, CARL SJOLUND state that I am DIRECTOR of Front Range TopCo, Inc. (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 with respect to the Company are true and correct to the best of my knowledge, information, and belief.



Name: CARL SJOLUND
Title: DIRECTOR
Front Range TopCo, Inc.

SWORN TO AND SUBSCRIBED before me on the 20 day of June, 2019.


Notary Public

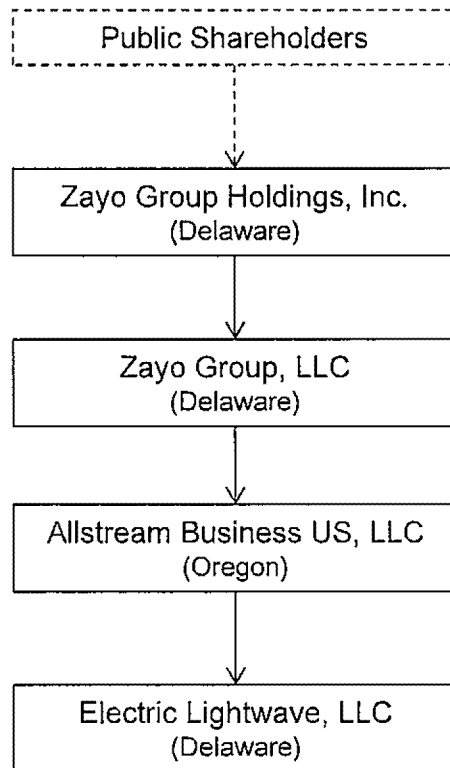
My commission expires: Dec 21, 2019

JENNY PETERSON
Notary Public, State of New York
Registration #01PE6334861
Qualified In Kings County
Commission Expires Dec. 21, 2019

EXHIBIT A

Current and Post-Transaction Corporate Organization Structure Charts

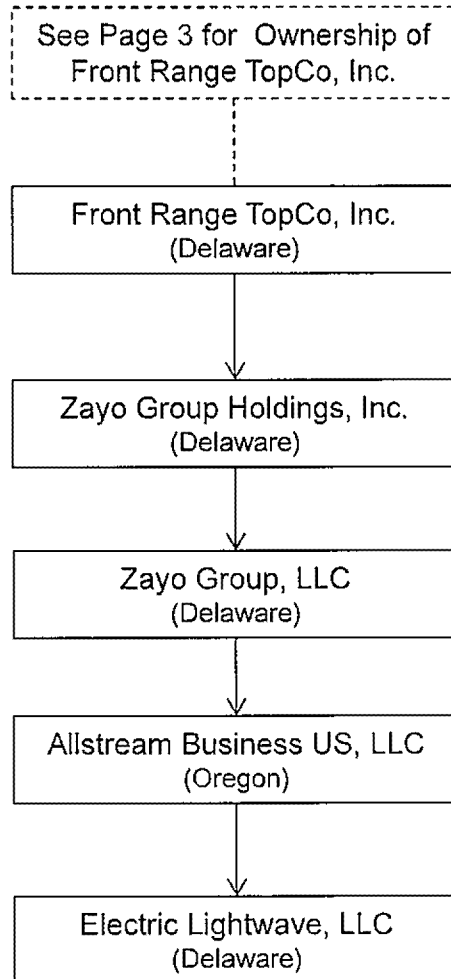
Current Ownership Structure Chart of Zayo*



*The entities listed only include the holders of FCC and/or State PUC authorizations and those entities that are in their chain of ownership. The chart excludes all other subsidiaries of Zayo Group Holdings, Inc.

**All ownership percentages are 100%.

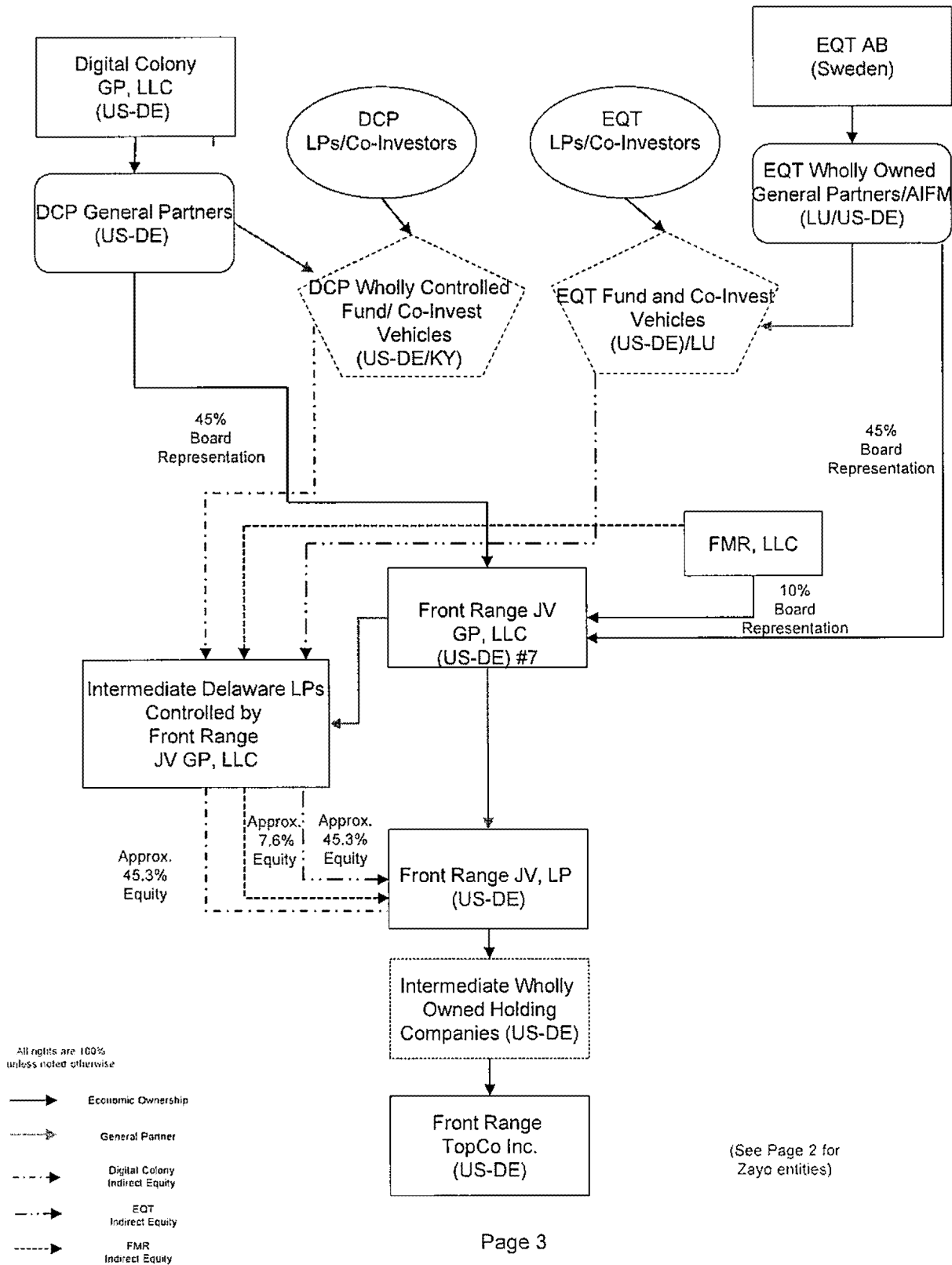
Post-Transaction Ownership Structure Chart of Zayo*



*The entities listed only include the holders of FCC and/or State PUC authorizations and those entities that are in their chain of ownership. The chart excludes all other subsidiaries of Zayo Group Holdings, Inc.

**All ownership percentages are 100%.

Post-Transaction Ownership Chart of Front Range TopCo, Inc.



(See Page 2 for Zayo entities)