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June 5, 2024

PUBLIC VERSION

Via Electronic Filing

Ms. Sherri L. Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor
Trenton, NJ 08625-0350

Re: In the Matter of the Verified Joint Petition of Zayo Group, LLC and Zayo Northeast, LLC for Approval (1) of a *Pro Forma Assignment* of Certain Assets of Zayo Group, LLC and (2) for Zayo Northeast, LLC to Participate in Certain Financing Arrangements

Dear Secretary Golden:

On behalf of Zayo Group, LLC ("Zayo Group") and Zayo Northeast, LLC ("Zayo NE" and together with Zayo Group, the "Petitioners"), please find enclosed a Petition in connection with the above-captioned matter.

Petitioners deem certain information set forth in Section IV of the Petition to be proprietary and confidential as it consists of highly sensitive financial information regarding Petitioners' operations. Disclosure of such information to Petitioners' competitors and/or potential competitors may prove harmful to Petitioners. Accordingly, Petitioners request that the Board determine such information to be proprietary and confidential that should not be made publicly available.

We are providing under separate cover a confidential and unredacted version of the Petition that is marked "CONFIDENTIAL." In addition, we are providing herewith a public copy of the Petition marked "PUBLIC," with the confidential information redacted.

In accordance with N.J.A.C. 14:1-12.8, Petitioners submit herewith the Affidavit of Lauren Lantero, General Counsel, Corporate of Zayo Group and Assistant Secretary of Zayo NE. As you will see, Ms. Lantero sets forth in her Affidavit a description of the information deemed confidential and proprietary by the Petitioners as to which protection is sought.

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June 5, 2024

Page 2

Should you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/ Joshua M. Bobeck

Joshua M. Bobeck (NJ Bar ID: 026291992)

Counsel for Zayo Group, LLC and Zayo Northeast, LLC

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

I/M/O of the Verified Joint Petition of

Zayo Group, LLC,

and

Zayo Northeast, LLC,

for Approval (1) of a *Pro Forma Assignment* of
Certain Assets of Zayo Group, LLC and (2) for Zayo
Northeast, LLC to Participate in Certain Financing
Arrangements

Docket No. _____

AFFIDAVIT OF LAUREN LANTERO

I, Lauren Lantero, being of full age and duly sworn according to law, do hereby depose and state as follows:

1. I am General Counsel, Corporate of Zayo Group, LLC (“Zayo Group”) and Assistant Secretary of Zayo Northeast, LLC (“Zayo NE” and together with Zayo Group, the “Petitioners”). As such, I am fully familiar with the subject matter of the above-referenced Petition.

2. I make this affidavit in support of the request that the Board protect from public disclosure the Confidential Information (as defined below) contained in the Petition that is being provided to the Board under seal in connection with the review of the pending Petition.

3. The Petition includes in Section IV the “Aggregate Amount” of the Financing Arrangements, which is the maximum aggregate dollar amount of the financing arrangements in which Zayo NE seeks approval to participate. The Aggregate Amount constitutes business, commercial, and financial information that is confidential, proprietary, and non-public (the “Confidential Information”), and therefore, does not constitute a “government record” under N.J.S.A. 47:1A-1.1.

4. I make this affidavit in accordance with N.J.A.C. 14:1-12 *et seq.* to substantiate the claim that the Confidential Information submitted is confidential.

5. To the best of my knowledge, the Confidential Information is protected by making it generally available only to the management and the outside accounting, financial, legal, and other professionals of the Petitioners. It is not contained in materials that are routinely available to the general public.

6. To the extent the Confidential Information has been or may be disclosed to others, the Petitioners have done so or will do so by way of a confidentiality agreement or similar arrangements, whereby it has been or will be agreed by the parties thereto that the Confidential Information: (i) shall be used solely for purposes relating to the matter specified therein, and (ii) shall be maintained in secure files, separate from public information.

7. The Confidential Information contains information that is commercially sensitive. This information is not available to the general public. Unrestricted availability of the details of the Confidential Information would provide competitors with information regarding the Petitioners, which competitors could use to evaluate the Petitioners' business strategies to the Petitioners' detriment. Such availability would disclose certain non-public details of the Petitioners' financial condition and business and could ultimately result in a competitive disadvantage to the Petitioners. In contrast, confidential treatment will not adversely affect any interested party. Confidential treatment of the Confidential Information is therefore requested to avoid potential commercial injury.


8. The Petitioners request the Confidential Information being provided to the Board continue to be treated as confidential before, during, and after the proceedings in the above-

captioned matter, unless the information or documents are adjudicated by the Board, the Office of Administrative Law, or other administrative agency of competent jurisdiction, or any court of competent jurisdiction, to be non-confidential.

9. Due to the sensitive nature of this Confidential Information, the Petitioners respectfully submit that it is appropriate for the Board to limit access to such information. The Confidential Information being provided is for the use of the Board, the Office of the New Jersey Attorney General (“AG”), and the New Jersey Division of Rate Counsel (“RC”) in exercising their governmental functions in the above-referenced proceeding. There is no legitimate purpose to be served in disclosing the Confidential Information to competitors or to any person other than the appropriate staff of the Board, AG and RC.

10. The Petitioners, therefore, respectfully request that the Board issue a determination that the Confidential Information is confidential, and as such, exempt from public disclosure, with the availability of such information limited accordingly.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

By: 

Lauren Lantero
General Counsel, Corporate
Zayo Group, LLC
Assistant Secretary
Zayo Northeast, LLC

Dated: June 5, 2024

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

I/M/O of the Verified Joint Petition of

Zayo Group, LLC,

and

Zayo Northeast, LLC,

for Approval (1) of a *Pro Forma Assignment* of Certain Assets of Zayo Group, LLC and (2) for Zayo Northeast, LLC to Participate in Certain Financing Arrangements

Docket No. _____

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

VERIFIED JOINT PETITION

Zayo Group, LLC (“Zayo Group”), and its indirect subsidiary Zayo Northeast, LLC (“Zayo NE”), (together, the “Petitioners”), pursuant to 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”), request Board approval (1) of a *pro forma* assignment of certain assets of Zayo Group to Zayo NE (the “*Pro Forma Assignment*”), including to the extent necessary a waiver of the Board’s mass migration rules, N.J.A.C. 14:10-12.1 *et seq.*, in connection with the planned *pro forma* assignment of certain customers from Zayo Group to Zayo NE, and (2) for Zayo NE to participate in certain Financing Arrangements (as defined below). This Petition relates to Zayo Group’s business plan to implement an internal restructuring which will organize, and obtain financing to support, certain of its network and high-capacity bandwidth and enterprise operations in the Northeast and Mid-Atlantic regions into Zayo NE.

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

I. DESCRIPTION OF THE PETITIONERS

Zayo Group and Zayo NE are each a Delaware limited liability company with a principal office located at 1401 Wynkoop Street, Suite 500, Denver, Colorado 80202. Zayo NE is a wholly owned subsidiary of Zayo Group. Zayo Group is a direct, wholly owned subsidiary of Zayo Group Holdings, Inc. (“Holdings” and, together with its subsidiaries including the Petitioners, the “Company”), a Delaware corporation. For the Board’s reference, attached as **Exhibit A** are diagrams depicting the corporate ownership structures of the Petitioners.

The Company is a leading provider of bandwidth infrastructure and interconnection services over regional and metropolitan fiber networks. These services enable customers to manage, operate, and scale their telecommunications and data networks. Zayo Group customers consist primarily of wireless service providers, national and regional communications service providers, media/Internet/content companies, governments, banks, and other bandwidth-intensive enterprises. Zayo Group is authorized to provide competitive local exchange, competitive access, and/or interexchange services in the District of Columbia and every U.S. state except Alaska. The primary telecommunications service offerings of Zayo Group include high-capacity bandwidth services such as private line, Ethernet, and wavelength services. In New Jersey, Zayo Group is authorized to provide local exchange and interexchange telecommunications services pursuant to Board authorization granted on May 16, 2011, in Docket No. TE11020049 and Zayo NE has a pending application for authorization to provide local exchange and interexchange telecommunications services in Docket No. TE24050295. Zayo Group also is authorized by the Federal Communications Commission (“FCC”) to provide domestic (interstate) and international telecommunications services in addition to certain point-to-point wireless services and Zayo NE

expects to become authorized by the FCC to provide domestic (interstate) telecommunications services.

Additional information concerning the Petitioners' technical, managerial and financial qualifications has been submitted to the Commission as part of their respective certification applications and filings for prior transactions with the Commission and is therefore already a matter of public record and incorporated by reference. After the *Pro Forma Assignment* is completed, the Petitioners will remain well-qualified to provide service to their customers, and their operations will continue to be overseen by the same well-qualified management team with substantial telecommunications experience and technical expertise.

II. DESIGNATED CONTACTS

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

Catherine Wang
Brett P. Ferenchak
Joshua M. Bobeck (Member, NJ Bar)
MORGAN, LEWIS & BOCKIUS LLP
1111 Pennsylvania Ave., N.W.
Washington, D.C. 20004
202-739-3000 (tel)
202-739-3001 (fax)
catherine.wang@morganlewis.com
brett.ferenchak@morganlewis.com
joshua.bobek@morganlewis.com

III. DESCRIPTION OF THE PRO FORMA ASSIGNMENT

The *Pro Forma Assignment* is part of Zayo Group's plan to execute an internal restructuring which will organize its network and operations in the Northeast and Mid-Atlantic regions being assigned. The plan also involves obtaining financing, as described below, to support that network and operations and for other general corporate purposes. Zayo Group will continue

to provide telecommunications services to other existing and new customers that are not a part of this internal restructuring plan.¹ Zayo Group will implement this plan by assigning to Zayo NE certain assets in New Jersey, including communications optical fiber, certain customer contracts, rights in third party fibers, and associated telecommunications equipment used to provision services or facilities to the affected customers.² A depiction of the *Pro Forma Assignment* is included as **Exhibit A**.

The affected customers receive enterprise services including high-capacity bandwidth services such as private line, Ethernet, wavelength services, and non-telecommunications services including, but not limited to, managed services, and broadband internet access services. The affected customers will be sent a notice of the *Pro Forma Assignment* at least 30 days prior to the *Pro Forma Assignment*. A sample of the notice to be provided to customers is attached as **Exhibit B**.

To ensure seamless and uninterrupted service, all of the customers assigned to Zayo NE will continue to receive service from Zayo NE under the same rates, terms and conditions of services as with Zayo Group. Future changes in the rates, terms and conditions of service to the affected customers will be undertaken in the ordinary course of business pursuant to customer contracts and the applicable federal and state requirements. The *Pro Forma Assignment* will not disadvantage customers or cause confusion or disruption to customers since Zayo Group and Zayo

¹ Since Zayo Group may continue to provide telecommunications services to other existing customers that are not assigned to Zayo NE, as well as future customers, Zayo Group intends to retain its New Jersey authorization at this time.

² Zayo Group also will assign to certain network infrastructure that would be utilized by both Zayo Group and Zayo NE to its subsidiary Zayo Infrastructure Holdco, LLC (“InfraCo”). InfraCo will then make that network infrastructure available only to its affiliates, Zayo Group and Zayo NE, for use to serve their customers. InfraCo will not provide any services to or make network infrastructure available to any unaffiliated third-party customers.

NE will market and perform its services under the “Zayo” brand and will operate through the same customer service, technical, operational and managerial personnel.

All of Zayo Group’s customers in New Jersey are commercial entities or carrier customers who receive service under individually negotiated contracts and therefore would not be considered mass market service customers. Although the Petitioners do not believe that the Board’s mass migration rules were intended to cover a change in the provider for such customers, especially under the circumstances presented (*i.e.*, where the change in provider will occur as part of an intra-company transaction pursuant to which ownership, control and management policies will remain the same), to the extent required, the Petitioners request a waiver of the Board’s mass migration rules, see N.J.A.C. 14:10-12.1 et seq. It would be unduly burdensome, unnecessary and potentially confusing to affected customers for the Petitioners to comply with the Board’s mass migration rules without modification or waiver because, from its customers’ point of view, the transaction will simply result in a change in the legal name of the specific entity providing service within the same Zayo corporate family rather than a discontinuance or other change in their services. The Board granted a similar waiver in connection with prior *pro forma* transaction. *See e.g.*, I/M/O/ Zayo Group et al., Docket No. TO23050279 (Aug. 16, 2023); I/M/O/ Light Tower Fiber Long Island et al., Docket No. TM14040343 (June 18, 2014); I/M/O Light Tower Fiber and Keyspan Communications, Docket No. TM08040212 (June 13, 2008).

IV. DESCRIPTION OF THE FINANCING ARRANGEMENTS

Approval is sought for Zayo NE to participate in existing, new, amended or restated financing arrangements (“Financing Arrangements”) up to an aggregate amount of [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. To maintain adequate flexibility to respond to market conditions and requirements and to respond to future expansion, financing and

other business opportunities, authority is sought for Zayo NE to participate in Financing Arrangements (including future refinancings thereof) that are generally consistent with the terms outlined below, which would permit, to the extent market conditions may warrant, modifications to the specific structure of the financing in a manner most favorable to Zayo NE or the borrower:

Amount: [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] (the “Aggregate Amount”).

Borrower: It is currently expected that Zayo Issuer, LLC will be the borrower under the Financing Arrangements.

Debt Instruments: The Financing Arrangements may include one or more of the following debt instruments: 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.

Security: Some or all of the Financing Arrangements may be secured facilities, which may include a grant of a security interest in the assets of Zayo Issuer, LLC and its current and future subsidiaries, including Zayo NE. A portion of the Financing Arrangements may be unsecured facilities. For the secured facilities, the equity of Zayo Issuer, LLC and its current and future subsidiaries, including Zayo NE, may be pledged as additional security. Additionally, Zayo Issuer, LLC and its current and future subsidiaries, including Zayo NE, may provide a guaranty as security in support of the Financing Arrangements.

Purpose: The Financing Arrangements may be used for (i) acquisitions, (ii) refinancing then-existing debt, (iii) funding capital to support growth capital needs, including those of Zayo NE, and (iv) providing working capital to fund general corporate purposes.

Other Provisions: The rates, terms and conditions, maturity dates, and dates of issuance will be determined by market conditions and lenders’ requirements at the time of each issuance.

Board authorization is sought for Zayo NE to participate in Financing Arrangements up to the Aggregate Amount and thereby to incur debt as a guarantor and to pledge its assets as security for Financing Arrangements in the Aggregate Amount with terms materially consistent with those outlined above.

The effect of the Financing Arrangements on the ability of a utility to fulfill pension obligations to its employees is also a factor for the Board to consider pursuant to N.J.S.A. 48:3-7.

Zayo Group and its affiliates currently have approximately 50 employees in New Jersey, but do not have a U.S. employee pension plan for its New Jersey employees. Employees' existing rights in any other retirement benefit plan will be retained following of consummation of the *Pro Forma Assignment* and Financing Arrangements.

V. PUBLIC INTEREST CONSIDERATIONS

The Petitioners respectfully submit that the proposed *Pro Forma Assignment* and Financing Arrangements serve the public interest. The *Pro Forma Assignment* is an integral part of the Financing Arrangements that will provide support for the operations and network serving the affected customers. The *Pro Forma Assignment* will result in the assignment of customers and assets between affiliated companies that will continue to provide telecommunications services to such assigned customers without interruption. Zayo NE will provide services at the same rates and on the same terms and conditions as provided by Zayo Group (subject to future changes in the ordinary course of business pursuant to applicable law and contract provisions). Given that the Petitioners share the same management team, customers will continue to benefit from that team's knowledge and experience in the New Jersey market.

The Financing Arrangements will similarly serve the public interest in promoting competition among telecommunications carriers by providing Zayo NE with access to financial resources that will allow it to be an effective competitor. The Financing Arrangements are necessary and appropriate, are consistent with the performance by Zayo NE of its services to the public, will not impair its ability to perform such services, and will promote its corporate purposes. The Financing Arrangements will have no adverse impact on the customers of Zayo NE and will not disrupt service or cause customer confusion or inconvenience.

VI. CONCLUSION

For the foregoing reasons, the Petitioners submit that the public interest, convenience and necessity would be furthered by grant of this Petition approving (1) the *Pro Forma Assignment* of Zayo Group's assets, including a waiver of the Mass Migration Rules, and (2) Zayo NE's participation in the Financing Arrangements described above.

Respectfully submitted,

/s/ Joshua M. Bobeck

Joshua M. Bobeck (Member, NJ Bar)

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202-739-3001 (fax)

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Counsel for the Petitioners

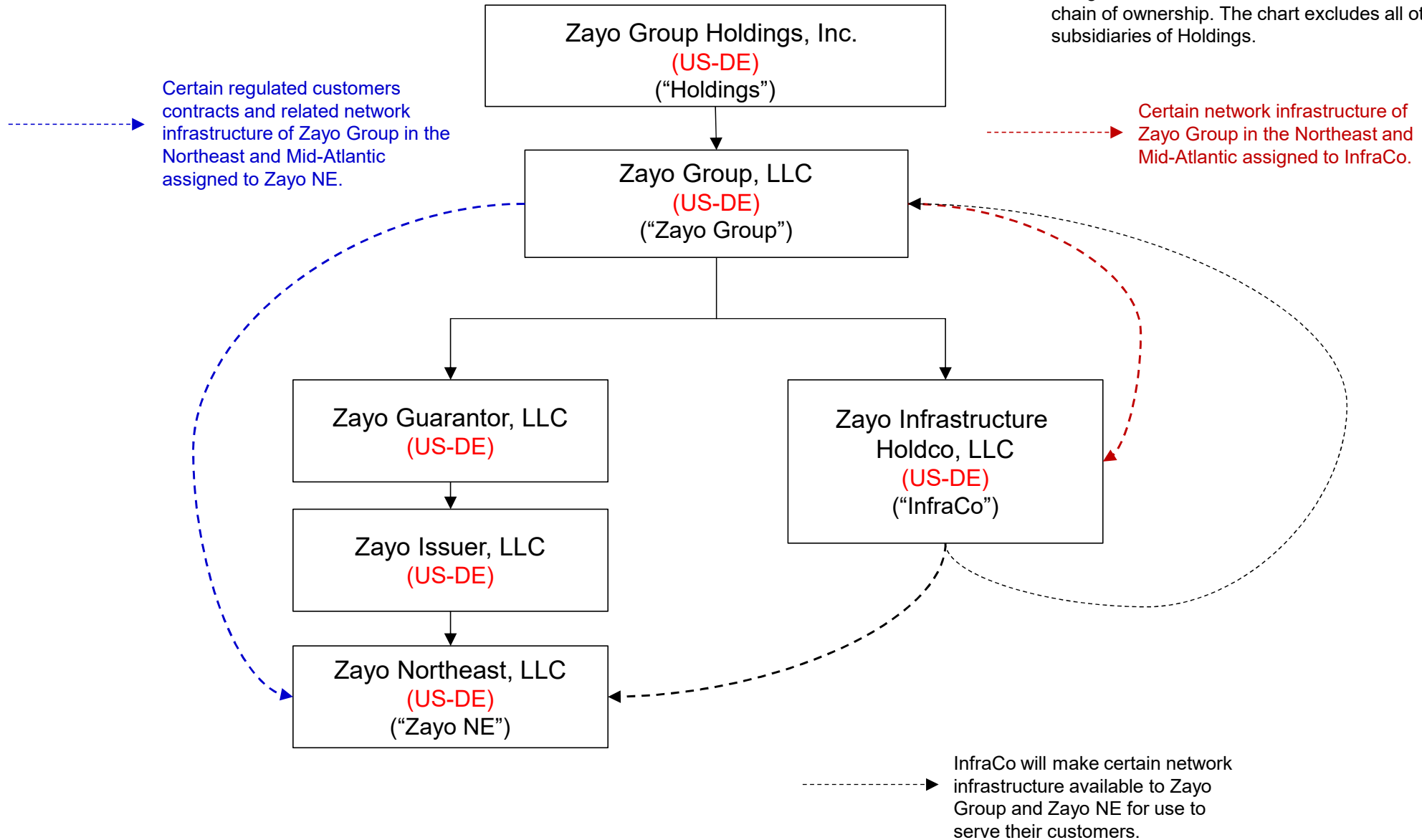
EXHIBIT A

Corporate Ownership Structures and Depiction of *Pro Forma Assignment*

Current Ownership and Depiction of *Pro Forma Assignment**

PUBLIC VERSION - CONFIDENTIAL INFORMATION REDACTED

* The entities listed herein only include the regulated parties involved in the *Pro Forma Assignment* and the entities that are in their chain of ownership. The chart excludes all other subsidiaries of Holdings.



**All ownership percentages are 100%.

EXHIBIT B

Sample Customer Notice

Important Information Regarding the Transfer of Your Service

Date: [INSERT], 2024

To: [Customer Name]

Account Number: [Customer Account Number]

Subject: Transfer of Your Service to Zayo Northeast, LLC

We are writing to inform you that Zayo Group, LLC is transferring your service to its subsidiary Zayo Northeast, LLC (“Zayo NE”) effective [INSERT], 2024, subject to any necessary regulatory approvals (“Transfer Date”). This transfer is part of a transaction whereby Zayo Group is assigning certain of its network infrastructure and customers located in the U.S. Northeast and Mid-Atlantic regions to a regional-specific subsidiary, Zayo NE. While Zayo NE will be the company that you receive service from after the Transfer Date, it will continue to be managed by the same team as Zayo Group, it will continue to operate in the same way that Zayo Group operates today, and you will continue to be able to manage your service and account in the same way you do today.

What you can expect:

- No changes to the rates and terms of your service are expected to result from the transfer of your service to Zayo NE. Any future changes to the rates or terms of your service will be made only in accordance with your service agreement, and you will be notified of any such changes by Zayo NE pursuant to the terms of that agreement and applicable law.
- You will continue to receive billing statements from Zayo Group until your account is migrated to a new billing system for Zayo NE. You will continue to be responsible for paying your bills to Zayo Group, as you have done in the past, until the transfer is complete, at which time you will be responsible for paying your bills issued by Zayo NE.
- **NOTE: Prior to the Transfer Date, Zayo NE will provide you with new bill payment instructions, which may require a change to the address and/or bank account that you send your service payments to.** If you obtain multiple services from Zayo Group, some services may be retained by Zayo Group depending on which services you receive and where you receive them. In those situations, we will also provide further information.

What you need to do:

- Review the information in this letter.
- Follow the new payment instructions from Zayo NE when they are issued. You may need to change the address and/or bank account to where you make your payments in order for those payments to be received by Zayo NE. It is important that you update your payments to reflect these changes as soon as possible once you receive those instructions.

Zayo NE and Zayo Group intend to make the transition of your service as seamless as possible and will work to minimize any issues or concerns associated with the transition of your service to Zayo NE. Your sales, customer service, and billing contacts will continue to be the same following the Transfer Date, and we look forward to providing you with the same quality services and superior customer services as you currently receive. If your services are not provided pursuant to a service agreement or other contract, then you may have the right to change service providers, but must notify Zayo NE if you plan to do so prior to the Transfer Date. If your services are provided under a service agreement, master services agreement, or other contract, then the terms of that contract will continue to apply and you may be responsible for fees or other charges should you choose to change to a new service provider as set forth in the terms of that contract.

If you have any questions or concerns, please do not hesitate to contact us.

Billing and Technical Support: 866-364-6033

Sincerely,

Zayo Group and Zayo NE

VERIFICATION

STATE OF COLORADO

§

COUNTY OF DENVER

§

§

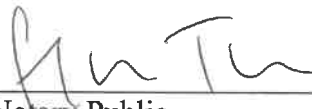
VERIFICATION

I, Lauren Lantero, state that I am General Counsel, Corporate and Assistant Secretary of Zayo Group, LLC and its subsidiaries (together, the “Companies”); that I am authorized to make this Verification on behalf of the Companies; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Companies are true and correct to the best of my knowledge, information and belief.



Lauren Lantero
General Counsel, Corporate and Assistant Secretary
Zayo Group, LLC

SWORN TO AND SUBSCRIBED before me on the 4th day of June, 2024.



Notary Public

My commission expires: 2-14-27

GABRIELA TORRESANI
Notary Public
State of Colorado
Notary ID # 20234006075
My Commission Expires 02-14-2027