

**BEFORE THE
UTAH PUBLIC SERVICE COMMISSION**

Application of)
)
)

Zayo Group, LLC)

Docket No. _____

)
for a Certificate of Public Convenience and)
Necessity to Provide Facilities-Based and Resold)
Local Exchange, Access, and Interexchange)
Telecommunications Services in the State of Utah)

APPLICATION OF ZAYO GROUP, LLC

Zayo Group, LLC (“Zayo” or “Applicant” or “Company”), by its undersigned counsel and pursuant to Chapter 8b of Title 54 of the Utah Code, Utah Admin. Code §§ 746-100 *et seq.*, and the rules and regulations of the Utah Public Service Commission (“Commission”), hereby applies for a Certificate of Public Convenience and Necessity to authorize it to provide facilities-based and resold local exchange, access, and interexchange telecommunications service throughout the State of Utah. Zayo requests that the Commission grant Zayo authority to provide telecommunications services in Utah.

The Applicant submits the following information pursuant to Utah Admin. Code R746-349 in support of its request.

1. Applicant’s legal name is Zayo Group, LLC. Applicant may be reached at its principal place of business:

Zayo Group, LLC
400 Centennial Parkway, Suite 200
Louisville, CO 80027
303-381-4683 (Tel)
303-604-6869 (Fax)

2. R746-349-3(A)(16). Proof of authority to conduct business. Zayo is a Delaware limited liability company with its corporate headquarters located at 400 Centennial Parkway,

Suite 200, Louisville, Colorado 80027. Zayo is a direct subsidiary of Zayo Group Holdings, Inc., a Delaware corporation. A copy of Zayo's Certificate of Formation is attached hereto as Exhibit A. A copy of Zayo's authority to transact business as a foreign corporation in Utah is attached hereto as Exhibit B.

3. Correspondence or communications pertaining to this Application should be directed to:

Jean L. Kiddoo
Brett P. Ferenchak
Bingham McCutchen LLP
2020 K Street, NW
Washington, DC 20006-1806
202-373-6000 (Tel)
202-373-6001 (Fax)
jean.kiddoo@bingham.com
brett.ferenchak@bingham.com

4. Questions concerning the ongoing operations of Zayo following certification should be directed to:

Peter Chevalier
Associate General Counsel
Zayo Group, LLC
400 Centennial Parkway, Suite 200
Louisville, CO 80027
303-414-4008 (Tel)
303-226-5039 (Fax)
pchevalier@zayo.com

5. Zayo's registered agent in the State of Utah is:

CT Corporation System
136 East South Temple, Suite 2100
Salt Lake City, UT 84111

6. For purposes of consumer inquiries, the contact information will be:

Zayo Customer Care
400 Centennial Parkway, Suite 200
Louisville, CO 80027
800-390-6094 (Toll Free)
303-604-6869 (Fax)
billing@zayo.com

7. R746-349-3(A)(3). Facilities to be used. Zayo will primarily use its own facilities to provide service in Utah. Zayo may lease facilities of other telecommunications providers, including incumbent local exchange carriers. Zayo does not expect to resell the services of other telecommunications carriers except possibly those of its affiliates.

8. R746-349-3(A)(4). Services to be offered.

8(a) R746-349-3(A)(4)(a). Classes of customers. Zayo's customers are large enterprise customers and other carriers. At this time, Zayo does not have plans to serve residential customers, but may do so in the future as market conditions warrant.

8(b) R746-349-3(A)(4)(b). Location of service. Zayo seeks authority to offer interexchange and private line telecommunications statewide. To the extent Zayo provides basic local exchange service, it will initially do so in the areas served by Qwest and does not plan to provide service in areas of any small or rural local exchange carriers.¹ However, Zayo does seek statewide authority so that it may expand into other services as market conditions warrant and as additional service areas become open to competition.

8(c) R746-349-3(A)(4)(b). Services Offered. Zayo seeks authority to provide facilities-based and resold local exchange, access, and interexchange telecommunications services to and from all points in the State of Utah that are currently or become open to competition.

Zayo primarily provides Private Line, Ethernet, Wavelength, Dedicated Internet Access and Collocation services to wholesale (e.g. other carriers) and large enterprise customers. Applicant's primary business is building communications solutions for large enterprise and carrier customers on an individual basis for each project's needs. Zayo does not plan to offer prepaid local exchange and interexchange services. While Zayo does not currently plan to offer traditional voice services, including basic local exchange services, custom calling features, and interexchange toll services, in Utah, Zayo may do so in the future. Zayo, therefore, seeks the full range of resold and facilities-based local exchange, access and interexchange authority so that it can have the flexibility in provisioning services in the future.

Zayo will continuously monitor and maintain a high level of control over its network on a 24-hours-a-day, 7-days-a-week basis. Zayo's proposed intrastate tariff is provided as Exhibit H.

9. R746-349-3(A)(5). Access to standard services. To the extent that Zayo provides circuit switched voice service, Zayo will provide access to ordinary intraLATA and interLATA message toll calling, operator services, directory assistance, directory listings, and emergency services through interconnection with its underlying carrier.

10. R746-349-3(A)(7). Professional experience and education of managerial personnel and personnel responsible for Utah operations. Zayo does not plan to operate an office within Utah. Responsibility for Utah operations will be handled by Applicant's current management team from its headquarters in Louisville, Colorado. Descriptions of the extensive telecommunications and managerial experience of Applicant's key personnel are attached hereto as Exhibit C.

¹ At this time, Applicant does not seek to terminate any exemption held by a rural telephone company pursuant to 47 U.S.C. § 251(f).

11. R746-349-3(A)(1), R746-349-3(A)(10)–(12). Financial abilities. Zayo is financially qualified to provide local exchange telecommunications services in Utah. Zayo has access to the financing and capital necessary to conduct the telecommunications operations as specified in this application, and will rely upon its existing personnel and technological and financial resources to provide intrastate services.

11(a) R746-349-3(A)(9). Chart of accounts. Zayo’s chart of accounts including account numbers, names, and brief descriptions is attached hereto as Exhibit D. Please note that the information provided in Exhibit D is proprietary and has been attached in a sealed envelope marked “**Confidential.**” As it contains sensitive information regarding Zayo’s business operations, Zayo respectfully requests that this information be treated confidentially and not be released to any member of the public absent Zayo’s prior written permission.

11(b) R746-349-3(A)(10)(a)–(d). Financial Statements. Zayo’s success in developing innovative products and services and in expanding its geographic reach has translated into impressive growth in recent years, and as such Zayo is extremely well-qualified financially to operate and expand its business. Audited financial statements of Zayo are provided confidentially as Exhibit E. As shown in the attached information, Zayo is financially qualified to operate within the State of Utah. Additional financial information is provided in Zayo’s SEC Form 10-Q for the period ended September 30, 2010, which is available at http://investor.zayo.com/sites/zayo.investorhq.businesswire.com/files/report/file/10Q_-_September_20_2010_Quarterly_Report.pdf.

11(c) R746-349-3(A)(10)(b). Sufficient projected and verifiable cash flow. Paragraph 12, below, provides evidence of a sufficient projected and verifiable cash flow to meet cash needs as shown in Zayo’s three-year projection of expected operations.

11(d) R746-349-3(A)(2), R746-349-3(A)(11)(c). Bond requirement. Zayo respectfully requests a waiver of the requirement in R746-34-2(A)(2) for proof of a bond in the amount of \$100,000. Zayo will not require Utah customers to make a service deposit. Further, as demonstrated by the financial statements provided as Exhibit E, Zayo has the financial resources to cover other liabilities to telecommunications customers.

12. R746-349-3(A)(12). Five-year projection of expected operations.

12(a) R746-349-3(12)(a). Income and cash flow statements. Attached hereto under seal as Exhibit F is Zayo's five-year projection of expected operations. Please note that the information provided in Exhibit F is proprietary and has been attached in a sealed envelope marked "**Confidential.**" As it contains sensitive information regarding Zayo's business operations, Zayo respectfully requests that this information be treated confidentially and not be released to any member of the public absent Zayo's prior written permission.

12(b) R746-349-3(A)(12)(b). Types of technology to be deployed. Zayo intends to provide facilities-based telecommunications services primarily using its own facilities. Some of these facilities Zayo will acquire from its affiliate, American Fiber Systems, Inc. ("AFS"). These facilities include fiber and switching and routing equipment.

12(c) R746-349(A)(12)(c). Maps of facilities locations. A map of the existing facilities of Zayo and its affiliates is provided as Exhibit G. Zayo has not yet determined the exact location of future facilities and descriptions of the specific facilities to be deployed in the future.

13. R746-349-3(A)(6), R746-349-3(A)(13). Implementation schedule. Zayo proposes to begin providing telecommunications service in Utah immediately upon the Commission's grant of the Certificate pursuant to this Application.

14. R746-349-3(A)(1), R746-349-3(A)(14). Technical and managerial abilities. Zayo is technically and managerially qualified to provide competitive local exchange and interexchange services in Utah. Zayo's Utah operations will be directed by its existing corporate management, technical and operations staffs who are responsible for the interexchange and local exchange operations in other states. A description of the background of Applicant's key personnel, which demonstrates the extensive telecommunications experience of Zayo's management team, is attached hereto as Exhibit C.

Zayo is not currently authorized to provide telecommunications service in any state, but is seeking such authority in every state where Zayo's affiliates currently provide telecommunications services so that Zayo can provide those services to their customers upon completion of certain intra-corporate transactions reorganizing certain of its subsidiaries. Collectively, Zayo's subsidiaries are currently authorized to provide telecommunications services in the District of Columbia and the following states: Arizona, California, Colorado, Delaware, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maryland, Michigan, Minnesota, Missouri, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Utah,² Virginia, Washington and West Virginia. Zayo has not been denied requested certification in any jurisdiction, nor has any permit, license, or certificate been revoked by any authority.

15. R746-349-3(A)(8). Employees. Zayo's Utah operations will be directed by its management team located at Zayo's headquarters in Louisville, Colorado. In lieu of an organizational chart, Zayo offers the biographies of its key personnel set forth in Exhibit C to satisfy R746-349-3(A)(8).

16. R746-349-3(A)(1), R746-349-3(A)(15). Public interest. Grant of this Application will permit Zayo to operate its business in a more efficient and streamlined matter by eliminating multiple separate operating entities and the corresponding accounting and regulatory burdens of that structure, which in turn will enable Zayo to be a more economically efficient competitor. Upon taking over the role of its operating subsidiaries, Zayo will continue to deploy and expand a competitive telecommunications infrastructure in the State and will provide customers high quality, cost effective telecommunications services, with an emphasis on customer service. In addition to driving prices closer to costs, thereby ensuring just and reasonable rates, competition also promotes efficiency in the delivery of services and in the development of new services. These benefits work to maximize the public interest by providing continuing incentives for carriers to reduce costs while, simultaneously, promoting the availability of potentially desirable services.

17. R746-349-3(A)(17)–(18). Unauthorized switching, solicitation of new customers, and prevention of unauthorized switching or other illegal activities. Zayo has not had any complaints filed against it in any jurisdiction.

² AFS is authorized to provide dedicated facilities-based and resold local exchange, facilities-based interexchange and private line services within Utah pursuant to a Certificate of Public Convenience and Necessity issued in Docket No. 00-2353-01 on February 23, 2001.

* * *

For the reasons stated above, Applicant respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Application for the authority to provide all types of facilities-based and resold local exchange and interexchange telecommunications services.

Respectfully submitted,

By:

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COUNSEL FOR APPLICANT

Dated: January 26, 2011

LIST OF EXHIBITS

Exhibit A	Certificate of Formation
Exhibit B	Authority to Transact Business as a Foreign Corporation in Utah
Exhibit C	Management Biographies
Exhibit D	Chart of Accounts (<i>CONFIDENTIAL - FILED UNDER SEAL</i>)
Exhibit E	Audited Financial Statements of Zayo Group
Exhibit F	5-Year Projection of Expected Operations (<i>CONFIDENTIAL - FILED UNDER SEAL</i>)
Exhibit G	Map of Facilities
Exhibit H	Proposed Intrastate Tariff
Verification	

EXHIBIT A

Certificate of Formation

EXHIBIT B

Authority to Transact Business as a Foreign Corporation

EXHIBIT C

Management Biographies

Dan Caruso Co-Founder, President and CEO

Dan is currently President and CEO of the Zayo Group (www.zayo.com) and Chairman of Envysion (www.envysion.com). As part of his Zayo Group responsibilities, Dan also oversees Onvoy Voice Services (www.onvoy.com). He is a board member of GTS Central Europe (www.gtsce.com) and, until recently, sat on the board of New Global Telecom (www.ngt.com). NGT was sold to Comcast in February 2010.

Between 2004 and 2006, Dan was President and CEO of ICG Communications. In 2004, he led a buyout of ICG and took it private. ICG, at the time, had about \$100M of debt and was burning their remaining \$30M of cash at a rate of \$8M a month. Columbia Capital and M/C Venture Partners, who backed the buyout, invested a total of \$8.7M. In 2006, ICG was sold to Level 3 for \$170M, resulting in a total distribution to the buyout group and management of over \$225M and a total return on investment of 25x.

Dan was one of the founding executives of Level(3) Communications; from inception in 1997 through ~2000, Dan was responsible for Level 3's engineering, construction, and operations organizations; between 2001 and 2003, most of Level 3's lines of business and marketing functions were his responsibility. Prior to Level 3, Dan was a member of the MFS Communications senior management team. He began his career at Illinois Bell/Ameritech.

Dan has an MBA from the University of Chicago and a BS in Mechanical Engineering from University of Illinois. He is a board member in Colorado Uplift, a charity that helps Denver's inner city youth stay focused on school and personal development.

Ken desGarennes Chief Financial Officer

Ken desGarennes has 13 years of experience in technology and communications, most recently as the CFO of Wire One Communications. Wire One, the largest international provider of videoconferencing solutions in the market, was created through the acquisition and integration of three videoconferencing properties. In addition to leading the acquisition and integration efforts, Ken was responsible for raising debt and building a world class finance organization.

Prior to joining Wire One, Ken was a Senior Director at the Gores Group, a technology focused private equity firm. While at the Gores Group, Ken led the financial due diligence and negotiations on numerous acquisitions in both the telecom and technology market. Ken started his career as a commercial banking officer with First Union Bank before moving to Accenture where he worked for 6 years in a corporate development role.

Ken received his BS in finance from the University of Maryland in College Park.

Scott Beer
General Counsel

Scott Beer has 17 years of experience in the legal field, with an emphasis on telecommunications. He most recently worked for Level 3 Communications as VP of Carrier Relations, responsible for vendor relations covering \$1.8 billion in network expenses. Prior to Level 3's acquisition of ICG Communications, Scott was VP and General Counsel of ICG, overseeing all legal and regulatory matters for the company. Scott started with ICG as Director of Government Affairs handling all state and federal regulatory matters and providing legal support to new product development.

Before starting with ICG, Scott was in house counsel at MCI WorldCom supporting the Mass Markets Finance Department for three years. He began his legal career as an associate attorney for a Denver law firm, where he was a commercial litigator and represented several large communication companies.

Scott holds a Juris Doctorate from Detroit College of Law at Michigan State University. He earned his B.A. from Michigan State in Communications and Pre-law.

David Howson
President, Zayo Bandwidth

David has 17 years telecommunications experience and was most recently President of zColo, a Zayo Group company. Prior to zColo, David served as Senior Vice President of Customer Service Management at Level 3 Communications. In this role David oversaw customer and network operations of all of Level 3's services including colocation, his responsibilities included customer service, security, network monitoring and maintenance. He was also responsible for the design and build of more than 15 Colocation Centers totaling more than 300,000 sq ft of space. Prior to that, David held a number of leadership roles where he was responsible for access management, M&A integrations, network and infrastructure planning and development, and network and facility construction in Asia, Europe, and North America. David earned his Engineering Degree with Honors from Oxford.

EXHIBIT D

Chart of Accounts

CONFIDENTIAL - FILED UNDER SEAL

EXHIBIT E

Audited Financial Statements of Zayo Group

EXHIBIT F

5-Year Projection of Expected Operations

CONFIDENTIAL - FILED UNDER SEAL

EXHIBIT G

Map of Facilities

EXHIBIT H

Proposed Intrastate Tariff

STATE OF COLORADO)
)
COUNTY OF BOULDER)

VERIFICATION

I, Scott E. Beer, being duly sworn, depose and state that I am Vice President, General Counsel and Secretary of Zayo Group, LLC (“Applicant”); that I am authorized to make this verification on behalf of Applicant; that I have read the foregoing Application and the exhibits and know the content thereof; and that the same 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

Subscribed and Sworn to me this _____ day of January, 2011.

Notary Public

My Commission Expires: _____.

SEAL