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**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

Joint Application of

**Zayo Group, LLC,
Electric Lightwave, LLC**

and

Front Range TopCo, Inc.

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

JOINT APPLICATION

Docket No. 19-2202-01

Docket No. 19-2536-01

JOINT APPLICATION

Front Range TopCo, Inc. (“Front Range” or “Transferee”), Zayo Group, LLC (“ZGL”), and Electric Lightwave, LLC (“Electric Lightwave” and together with ZGL, the “Licensees”) (collectively, the “Applicants”), pursuant to Utah Code Ann. §§ 54-4-28 & 54-4-29 and the rules of the Public Service Commission of Utah (“Commission”), including R746-349-7, hereby request Commission approval, to the extent required, for the proposed transfer indirect control of Licensees to Transferee (the “Transaction”).

In support of this Joint Application, Applicants provide the following information:

I. DESCRIPTION OF THE APPLICANTS

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 Licensees’ ultimate 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, 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 Zayo will continue to operate independently with independent management teams.

Digital Colony, a Delaware limited liability company, is a U.S.-investment firm dedicated to strategic opportunities in digital infrastructure. The firm was launched in 2018 as a 50/50 joint venture between 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 its affiliates possess a long record of successful investment in communications infrastructure companies in the United States and abroad. For example, 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 network infrastructure in the UK). In turn, Digital Bridge and its principals have 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 and Electric Lightwave, LLC

Licenses are wholly owned subsidiaries of ZGH (together with its subsidiaries, “Zayo”), a publicly-traded Delaware corporation (NYSE: ZAYO). ZGL is a Delaware limited liability company and a direct subsidiary of ZGH. Electric Lightwave is a Delaware limited liability company and is a direct subsidiary of Allstream Business US, LLC (“Allstream US”), an Oregon limited liability company. Allstream US is a direct subsidiary of ZGL. 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 Utah, ZGL is authorized to provide local exchange and interexchange services pursuant to Certificate No. 2536 granted in Docket No. 11-2536-01 on March 3, 2011. ZGL is also authorized by the FCC to provide domestic and international telecommunications services.

Electric Lightwave is part of the Allstream business segment of Zayo (“Allstream”), and provides business and carrier customers a suite of integrated telecommunications products and services (including competitive local exchange, interexchange data, Internet access and broadband transport services) primarily in metropolitan areas in Arizona, California, Colorado, Idaho, Minnesota, Montana, Nevada, North Dakota, Oregon, Utah and Washington. In Utah, Electric

Lightwave is authorized to provide local exchange and interexchange services pursuant to a Certificate granted by the Commission in Docket No. 94-2202-01 on August 16, 1995, as amended on August 16, 1996. Electric Lightwave also is authorized by the FCC to provide interstate and international telecommunications services.

II. DESIGNATED CONTACTS

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

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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”),¹ 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. 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, Licensees will become indirect, wholly owned subsidiaries 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 Licensees’ 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, Licensees) will be owned by Front Range rather than ZGH’s 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. INFORMATION REQUIRED BY R746-349-7

Pursuant to R746-349-7, Applicants provide the following information:

¹ 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.

A. Identification That It is Not an ILEC.

Applicants confirm that none of the Applicants or their affiliates is an ILEC in Utah.

B. Identification That It Seeks Approval of the Application Pursuant to this Rule.

Applicants confirm that they seek approval of the application pursuant to the informal adjudication process set forth in R746-349-7.

C. A Reasonably Detailed Description fo the Transaction for which Approval is Sought.

A detailed description of the Transaction is provided in Section III, above.

D. A Copy of Any Filings Required by the Federal Communications Commission or any other State Utility Regulatory Agency in Connection With the Transaction.

Applicants and/or their affiliates have filed applications with the FCC seeking authority for a transfer of control of domestic and international Section 214 applications. A copy of the combined domestic and international Section 214 application is attached as **Exhibit B**. In connection with this Transaction, Applicants and/or their affiliates also expect to request approval for the Transaction from the utility regulatory agencies (“PUCs”) in the following states in addition to Utah: California, Colorado, Georgia, Hawaii, Indiana, Louisiana, Maryland, Minnesota, Mississippi, New Jersey, New York, Ohio, Pennsylvania, Texas, Virginia, and West Virginia. Due to the voluminous nature of these state filings, most of which contain the same basic information, Applicants have attached at **Exhibit C** a copy of only the New York filing requesting approval as a representative example of the Applicants’ state public utility commission filings. Applicants will also provide notice to the PUCs in the following jurisdictions: Connecticut, Delaware, District of Columbia, Idaho, Kentucky, Montana, Nevada, New Mexico, North Carolina, Rhode Island, South Dakota and Washington. Due to the voluminous and repetitive nature of the notices to be sent to

the PUCs, Applicants have not included copies of the notice filings. Applicants will provide any additional filings or notices at the request of the Commission or the parties to this docket.

E. Copies of any Notices, Correspondence or Orders from Any Federal Agency or Any Other State Utility Regulatory Agency Reviewing the Transaction Which is the Subject of the Application.

Applicants have not yet received any notices, correspondence or orders from any federal agency or PUC reviewing the Transaction. Applicants will forward any orders or similar actions approving or denying approval of the Transaction as they become available.

V. PUBLIC INTEREST CONSIDERATIONS

Consummation of the proposed Transaction will serve the public interest, convenience, and necessity by providing Licensees with access to Transferee's financial and operational expertise, permitting Licensees to continue to provide robust communications solutions to their customers and to better compete in the Utah telecommunications marketplace. As discussed elsewhere in this joint Application, 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 Licensees' customers in Utah and will not alter the manner of service delivery or billing. At this time, Transferee expects that the key existing management personnel of Zayo team will continue with Zayo post-Transaction and that the managerial, technical and operational standards of Licensees will be maintained. Licensees 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 Licensees with access to greater financial resources that will allow them to become more effective competitors to larger incumbent telecommunications providers. In essence, the Transaction will make Licenses stronger competitors and thereby benefit consumers.

V. **CONCLUSION**

For the foregoing reasons, Applicants submit that the public interest, convenience, and necessity would be furthered by grant of this Application, authorizing Applicants to complete the Transaction described herein.

Respectfully submitted the 9th day of July, 2019.



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LIST OF EXHIBITS

- Exhibit A Current and Post-Transaction Corporate Ownership Structure Charts
- Exhibit B Copy of FCC Section 214 Application
- Exhibit C Copy of New York Petition
- Verifications