



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: December 28, 2016

Re: In the Matter of the Joint Application of Application of Electric Lightwave Parent, Inc., Electric Lightwave, LLC, Eschelon Telecom of Utah, Inc., Integra Telecom of Utah, Inc., and Zayo Group, LLC for Approval of a Transfer of Indirect Control of Licensees to Zayo Group, LLC. Docket Number(s) 16-2536-01, 16-2299-02, and 16-2263-01.

RECOMMENDATION (Allow):

The Division of Public Utilities (“Division”) has reviewed the joint Application of Electric Lightwave Parent, Inc., Electric Lightwave, LLC, Eschelon Telecom of Utah, Inc., Integra Telecom of Utah, Inc., and Zayo Group, LLC and believes that the public interest will be promoted by recommending that the Public Service Commission (“Commission”) allow the this Transfer of Control. As a result of the acquisition, the Companies should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

The Division expects that based on history that a filing of this type and with the information submitted by the company there will be no objections or opposition to this recommendation. Therefore, the Division request that this docket be adjudicated informally in accordance with R746-110-1.

EXPLANATION:

On or about December 02, 2016, Electric Lightwave Parent, Inc., Electric Lightwave, LLC, Eschelon Telecom of Utah, Inc., Integra Telecom of Utah, Inc., (“Electric Lightwave Parent”) and Zayo Group, LLC (“Zayo Group” and together the “Applicants”) notified the Commission of a transaction, which will result in a transfer of control of Electric Lightwave Parent to Zayo Group.

Electric Lightwave Parent is a privately held Delaware corporation headquartered at 18110 SE 34th Street; Building One, Suite 100; Vancouver, Washington 98683. Electric Lightwave Parent, Inc. owns and operates three companies in the State of Utah. They are listed below:

1. Electric Lightwave, LLC, a Delaware limited liability company, 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.
2. Intergra Telecom of Utah, Inc., an Oregon corporation, is authorized to provide local exchange and interexchange services pursuant to Certificate granted by the Commission in Docket No. 99-2299-01 on April 21, 2000.
3. Eschelon Telecom of Utah, Inc., d/b/a Integra Telecom, a Minnesota corporation, is authorized to provide local exchange and interexchange services pursuant to Certificate No. 2263, granted by the Commission in Docket No. 01-2263-01 on October 4, 2001.

Zayo is a Delaware limited liability company headquartered at 1805 29th Street, Boulder, Colorado 80301. Zayo is a wholly owned subsidiary of Zayo Group Holdings, Inc. Zayo is authorized to provide public telecommunications services in the State of Utah by the Commission on March 03, 2011, Docket No. 11-2536-01.

On November 29, 2016, Electric Lightwave Parent and Zayo entered into an agreement pursuant to which Electric Lightwave Parent will merge into Zayo. Electric Lightwave Parent will become a direct, wholly-owned subsidiary of Zayo. Because of this merger the companies operated under Electric Lightwave Parent will become indirect subsidiaries of Zayo.

The Applicants submit that the transaction described herein will serve the public interest. The Applicants expect that the merger will enable the combined entities to better meet the needs of enterprises, wholesale buyers, and other customers. The transaction will bring together two successful carrier organizations that have proven themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization's respective strengths. Operating as an integrated company will allow each of the operating companies to be more competitive and to deliver greater value and variety of services to their customers than they do individually.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent their customers. The transaction will not result in a change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

Cc. Wendy Cassity, General Counsel Zayo Group
Douglas Denney, Vice President - Costs & Policy, Electric Lightwave
William J. Evans, Counsel for Applicants, Parsons Behle & Latimer
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