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RECEIVED

August 6, 2014

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Via Overnight Delivery

PUBLIC SERVICE  
COMMISSION

Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602-8294

Re: **Zayo Group, LLC**  
**Notification of Pro Forma Change in Indirect Ownership**

Dear Mr. Derouen:

Zayo Group, LLC (“Zayo”) hereby notifies the Commission of a *pro forma* change in indirect ownership of Zayo (the “*Pro Forma* Change”) that will occur in connection with an initial public offering (“IPO”) by Zayo Group Holdings, Inc.’s (“Holdings”), Zayo’s direct holding company (a copy of Holdings’ registration statement on Form S-1 can be found on the SEC website at [www.sec.gov](http://www.sec.gov)). The *pro forma* change will remove Zayo’s current indirect holding company from the Holdings and Zayo ownership structure by assigning its owners’ equity interests to Holdings and offering a portion of the Holdings equity to the public and is not expected to result in any new equity owners who will hold 10 percent or more indirect ownership in Zayo.

Pursuant to the Orders issued in Admin. Case No. 359 on June 21, 1996 and No. 370 on January 8, 1998 and 807 KAR 5:011, Section 11, prior action by the Commission is not required for the *Pro Forma* Change. Accordingly, Zayo submits this letter for informational purposes. In support, Zayo provides the following:

**Description of Zayo Group, LLC**

Zayo is a Delaware limited liability company with principal offices at 1805 29th Street, Boulder, Colorado 80301. Zayo is a wholly-owned subsidiary of Holdings, a Delaware corporation. Holdings is currently a wholly-owned subsidiary of Communications Infrastructure Investments, LLC (“CII”), a Delaware limited liability company. CII has no majority owner. The following entities currently own 10% or more of CII:

**Oak Investment Partners:** Currently, a private equity fund affiliated with Oak Investment Partners owns approximately 15% of CII. Oak Investment Partners is a multi-stage venture capital firm whose primary investment focus is on high growth opportunities in clean energy, financial services technology, healthcare, information technology, Internet and consumer industries.

- Beijing
- Boston
- Frankfurt
- Hartford
- Hong Kong
- Lexington (GSC)
- London
- Los Angeles
- New York
- Orange County
- San Francisco
- Santa Monica
- Silicon Valley
- Tokyo
- Washington

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M/C Venture Partners: Currently, funds affiliated with M/C Venture Partners collectively own approximately 13% of CII. M/C Venture Partners is a private equity firm that focuses on investments in the communications, IT and media sectors.

Columbia Capital: Currently, funds affiliated with Columbia Capital collectively own approximately 13.5% of CII. Columbia Capital is a venture capital firm that invests in wireless, broadband, media, and enterprise information technology industries.

Charlesbank Capital Partners: Currently, funds affiliated with Charlesbank Capital Partners collectively own approximately 13% of CII. Charlesbank Capital Partners is a private equity investment firm that focuses on middle-market investments in the communications, consumer, education, energy, financial services, healthcare and industrial industries.

GTCR Partners: Currently, funds affiliated with GTCR Partners collectively own nearly 14.5% of CII. GTCR Partners is a private equity investment firm that focuses on investing in growth companies in the Financial Services & Technology, Healthcare and Information Services & Technology industries.

Zayo is a provider of bandwidth infrastructure and 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. Such customers consist primarily of wireless service providers, national and regional telecommunications carriers and other communications service providers, media and content companies, schools, hospitals, governments, banks and other bandwidth-intensive enterprises.

In Kentucky, Zayo is authorized as a competitive local exchange carrier (Utility ID 5056730) and long distance carrier (Utility ID 5179370). Zayo is also authorized by the FCC to provide domestic and international telecommunications services. Additional information concerning Zayo's legal, technical, managerial and financial qualifications has been submitted to the Commission with various prior filings with respect to Zayo's registration and various transactions and is therefore already a matter of public record. Zayo requests that the Commission take official notice of these existing descriptions of Zayo's qualifications and incorporate them by reference herein. In support of its financial qualifications, a copy of Zayo's most recent SEC Form 10-Q is available at:

<http://www.sec.gov/Archives/edgar/data/1502756/000150275614000022/0001502756-14-000022-index.htm>

and its most recent SEC Form 10-K is available at:

[http://zayo.uldev.co/images/uploads/resources/Financial\\_Reports/FY4Q2013/Annual/FY\\_2013\\_Annual\\_Report\\_10-K\\_\(PDF\).pdf](http://zayo.uldev.co/images/uploads/resources/Financial_Reports/FY4Q2013/Annual/FY_2013_Annual_Report_10-K_(PDF).pdf).

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### **Designated Contacts**

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

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### **Description of the Pro Forma Change**

In connection with the planned IPO of Holdings, CII will be eliminated from the ownership chain between Holdings and the ultimate investors/owners of the company. As a result of the *Pro Forma* Change, Holdings will become the ultimate parent company of Zayo rather than an intermediate parent company and the current owners of CII will have a direct rather than indirect ownership interest in Holdings. Since immediately after the *Pro Forma* Change Holdings will continue to have direct control of Zayo and will obtain ultimate control of Zayo with the same ultimate investors/owners, the *Pro Forma* Change is simply an internal change in the ownership chain that is *pro forma* in nature. For the Commission's reference, a chart depicting the pre- and post-*Pro Forma* Change ownership of Zayo is provided as Exhibit A.

Upon completion of the *Pro Forma* Change, the current investors/owners of CII will directly own equity in Holdings. Contemporaneously, Holdings will initiate an IPO to sell a small part of its equity to the public. Zayo and Holdings do not expect any new shareholder to obtain a 10% or greater ownership as a result of the IPO. As a result of the IPO, the shares of some of the current owners will be somewhat diluted. Zayo therefore notifies the Commission that the current owners of CII who currently hold more than a 10 percent ownership interest may reduce their ownership interest in Holdings to below 10 percent to the extent that the IPO and/or future sales of stock result in such a diminution of their interests.

### **Public Interest Considerations**

Zayo submits that the *Pro Forma* Change is in the public interest. The *Pro Forma* Change is part of the realignment of CII's corporate structure that will provide Holdings and CII with greater flexibility for equity transactions, including the IPO, as well as other corporate and financial transactions, which will further strengthen Zayo's financial qualifications. The *Pro Forma* Change will be entirely transparent to Zayo's customers

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and will not result in any change in their services. In particular, the rates, terms and conditions of their services will not change as a result of the purely *pro forma* change.

\* \* \* \*

An original and four (4) copies of this letter are enclosed for filing. Please date-stamp the extra copy and return it in the envelope provided. Should you have any questions regarding this filing, please do not hesitate to contact us.

Respectfully submitted,



Jean L. Kiddoo  
Brett P. Ferenczak

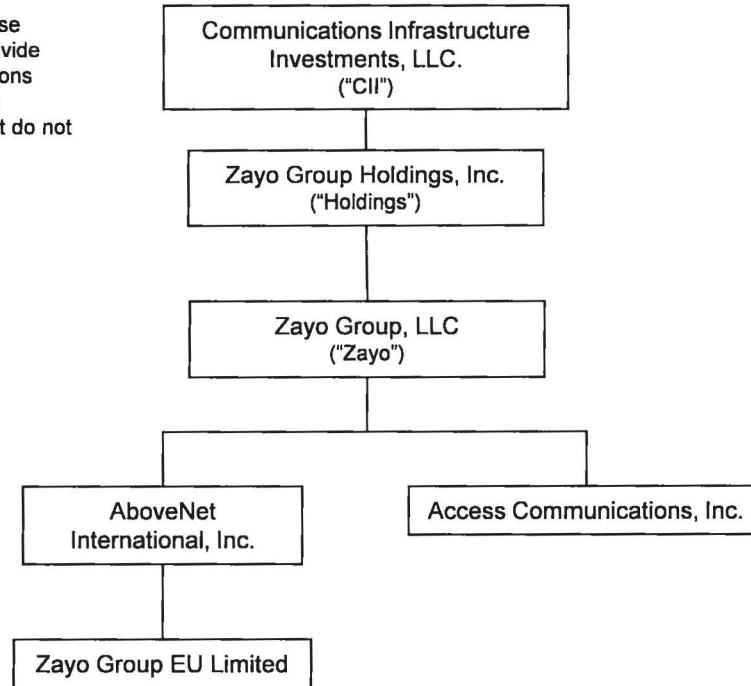
Counsel for Zayo

**EXHIBIT A**

Pre- and Post-*Pro Forma* Change Ownership of Zayo

# Pre-Pro Forma Change Corporate Organizational Structure

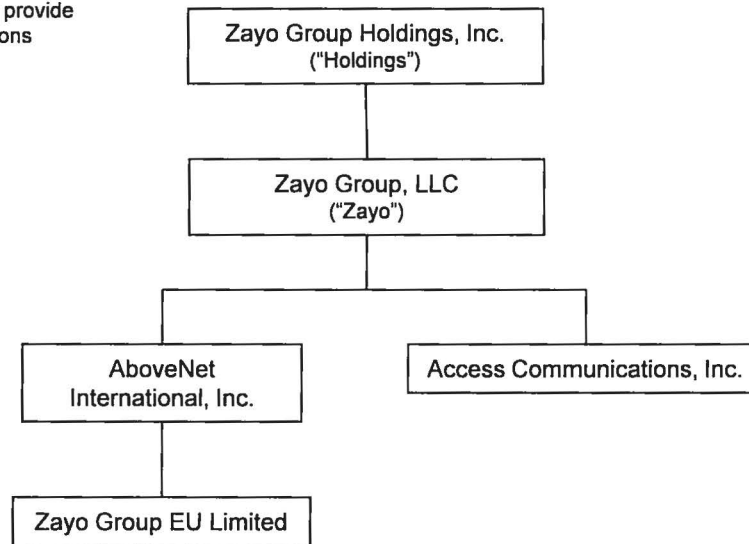
\* The entities listed herein only include Zayo and those subsidiaries of Zayo that (1) hold authorization to provide intrastate, interstate or international telecommunications services or (2) are in the chain of ownership of those entities. The chart excludes subsidiaries of Zayo that do not hold authorization to provide intrastate, interstate or international telecommunications services.



Unless otherwise indicated all ownership percentages are 100%.

# Post-*Pro Forma* Change Corporate Organizational Structure

\* The entities listed herein only include Zayo and those subsidiaries of Zayo that (1) hold authorization to provide intrastate, interstate or international telecommunications services or (2) will be in the chain of ownership of those entities, after the *Pro Forma* Change. The chart excludes subsidiaries of Zayo that do not hold authorization to provide intrastate, interstate or international telecommunications services..



Unless otherwise indicated all ownership percentages are 100%.

STATE OF COLORADO

§  
§  
§

COUNTY OF BOULDER  
District of Columbia, City of Washington, D.C.

**VERIFICATION**

I, Scott E. Beer, am Vice President, General Counsel and Secretary of Zayo Group, LLC and its subsidiaries (collectively, 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 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

Sworn and subscribed before me this 11th day of July, 2014.

  
\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_  
Sonja Sykes-Minor  
District of Columbia, Notary Public  
My Commission Expires  
October 14, 2014

