



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

**TELECOMMUNICATIONS**

IN THE MATTER OF THE JOINT PETITION OF ZAYO )	AMENDMENT OF ORDER
BANDWIDTH NORTHEAST, LLC AND ZAYO )	OF APPROVAL
BANDWIDTH NORTHEAST SUB, LLC FOR AUTHORITY )	
TO INCUR DEBT OBLIGATIONS AND ENCUMBER )	
UTILITY PROPERTY )	DOCKET NO. TF08020082

(SERVICE LIST ATTACHED)

**BY THE BOARD:**

Zayo Bandwidth Northeast, LLC ("Zayo-NE") and Zayo Bandwidth Northeast Sub, LLC ("Zayo-NE Sub" and together with Zayo-NE, the "Petitioners"), filed a petition with the Board on or about September 28, 2008 ("Petition"), pursuant to N.J.S.A. 48:3-7 and 48:3-9, for approval of certain financing arrangements.

Zayo-NE is a Delaware limited liability company whose sole member is Zayo Bandwidth, Inc. (formerly known as CII Holdco, Inc.) ("Zayo"), a Delaware corporation that is wholly owned by Communications Infrastructure Investments, LLC (together with Zayo, the "Company"), a Delaware limited liability company. Zayo-NE Sub is a Delaware limited liability company whose sole member is Zayo-NE. Petitioners have a principal office located at Two North Ninth Street, Allentown, Pennsylvania 18101. Both Zayo-NE and Zayo-NE Sub are public utilities subject to the jurisdiction of the Board.

Zayo-NE and Zayo-NE Sub are authorized to provide interexchange telecommunications services in New Jersey pursuant to authority granted by the Board in Docket Nos. TE03030186 and TE03030184 respectively on or about May 8, 2003. In addition, Petitioners are authorized by the FCC to provide interstate telecommunications services and Zayo-NE is authorized by the FCC to provide international telecommunications services.

In an Order of Approval in Docket No. TF08020082 dated May 9, 2008, Petitioners were authorized to participate in a consolidated credit facility to incur debt obligations of up to \$135 million to be secured by Zayo and its subsidiaries, including Petitioners. Petitioners now seek Board approval to amend the financing arrangements previously approved in Docket No. TF08020082 to incur additional long-term debt obligations pursuant to a Second Amendment to

the Amended and Restated Credit and Guaranty Agreement ("Agreement"). Petitioners submit that the financing arrangement represents a comprehensive company-wide financing arrangement in which all of the entities in the combined Company will participate as co-borrowers and co-guarantors and will pledge their assets as security. The financing arrangement will amend the credit facility previously approved by the Board to incur additional long-term debt obligations of up to \$40 million, which will result in an aggregate of up to \$175,000,000 in credit facilities.

A portion of the proceeds will be used to fund strategic acquisitions, including the acquisition of FiberLink LLC d/b/a Columbia Fiber Solutions ("CFS"). The remaining proceeds will be used to provide working capital, financing capital expenditures, refinancing existing indebtedness of Zayo's current and future subsidiaries, and other general corporate purposes of the Company and its operating subsidiaries, including Petitioners.

Petitioners assert that as a result of recent acquisitions and the acquisition of CFS, the Company's overall current and projected balance sheets clearly indicate that the combined Company can support up to \$40 million in additional debt.

The Petitioners assert that participation in the financing arrangements described herein will provide Petitioners with the opportunity to strengthen their competitive position.

The Division of Rate Counsel has reviewed this matter and, by letter dated October 22, 2008, recommended that the Board approve this Petition.

The Staff's review indicates that the financing arrangement is in accordance with law and that the use of the proceeds associated therewith is appropriate. While there is no guarantee in this regard, especially given the competitive environment in which Petitioners operate, the Board is satisfied that the transactions will not have an adverse impact on Petitioners' operations in New Jersey.

Petitioners, in accordance with N.J.A.C. 14:1-12 et seq., filed a request for confidential treatment of the Agreement and certain *pro forma* financial statements submitted to the Board's Staff in conjunction with its review of this matter.

After review, the Board FINDS that the transaction is consistent with the applicable law and the public interest. The Board therefore, approves the purposes thereof. The Board HITHERBY AUTHORIZES Petitioners to participate in the financing arrangement described herein. This Order is issued subject to the following provisions:

1. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation or any other matters affecting Petitioners.
2. Petitioners shall notify the Board, within five (5) business days, of any material changes in the Agreement and shall provide complete details of such transactions including any anticipated effects upon service in New Jersey.
3. Petitioners shall notify the Board of any material default on the terms of the Agreement within five (5) business days of such occurrence.

4. Notwithstanding anything to the contrary in the documents executed pursuant to the financing transactions or other supporting documents, a default or assignment under such agreement shall not constitute automatic transfer of Petitioners' assets. Board approval must be sought pursuant to N.J.S.A. 48:1-1 et seq. where applicable.
5. This order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by the Petitioners.

DATED:

11/7/08

BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

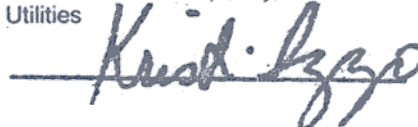
  
NICHOLAS ASSELTA  
COMMISSIONER

  
ELIZABETH RANDALL  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
Utilities



**In the Matter of the Joint Petition of Zayo Bandwidth Northeast, LLC and Zayo  
Bandwidth Northeast Sub, LLC for Authority to Incur Debt Obligations and  
Encumber Utility Property**

**SERVICE LIST**

**Docket No. TF08020082**

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