



Agenda Date: 6/10/26
Agenda Item: VB

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF)
ZAYO NETWORK SERVICES, LLC FOR APPROVAL)
TO EXPAND ITS FINANCING ARRANGEMENTS)
)
ORDER APPROVING)
FINANCIAL ARRANGEMENTS)
DOCKET NO. TF25060368)

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Joshua M. Bobeck, Esq., of Morgan, Lewis & Bockius LLP, on behalf of Petitioner

BY THE BOARD:

On June 25, 2025, Zayo Network Services, LLC (“Petitioner”) filed a petition with the New Jersey Board of Public Utilities (“Board”) requesting approval, pursuant to N.J.S.A. 48:3-7, N.J.S.A. 48:3-9, and the regulations of the Board, to expand the Financing Arrangements (“Financing Arrangement”) for which Petitioner previously received Board approval on December 18, 2024 (“Petition”).¹ The Board considers the Petition herein.

BACKGROUND

Petitioner, a Delaware limited liability company with a principal office located in Denver, Colorado, is a wholly owned indirect subsidiary of Zayo Group, LLC (“Zayo Group”), which is a wholly owned direct subsidiary of Zayo Group Holdings, Inc. (together with its subsidiaries, including Petitioner and Zayo Group, “Company”).

The Company is a provider of bandwidth infrastructure and interconnection services over regional and metropolitan fiber networks. These services enable customers to manage, operate, and scale their telecommunications and data networks. Zayo Group customers consist primarily of wireless service providers, national and regional communications service providers, media/Internet/content companies, governments, banks, and other bandwidth-intensive

¹ In re the Verified Joint Petition of Zayo Group, LLC and Zayo Northeast, LLC for Approval (1) of a Pro Forma Assignment of Certain Assets of Zayo Group, LLC and (2) for Zayo Northeast, LLC to Participate in Certain Financing Arrangements, BPU Docket No. TF24060397, Order dated December 18, 2024 (“December 2024 Order”). Subsequently, Petitioner underwent a legal name change from “Zayo Northeast, LLC” to “Zayo Network Services, LLC.”

enterprises. Zayo Group and its affiliates are authorized to provide competitive local exchange, competitive access, and/or interexchange services in the District of Columbia and every U.S. state except Alaska.

In New Jersey, Zayo Group is authorized to provide local exchange and interexchange telecommunications services pursuant to Board authorization granted on May 16, 2011, in Docket No. TE11020049.² Pursuant to the December 2024 Order, Petitioner is authorized in New Jersey to provide local exchange and interexchange telecommunications services. Zayo Group also is authorized by the Federal Communications Commission (“FCC”) to provide domestic (interstate) and international telecommunications services and Petitioner is authorized by the FCC to provide domestic (interstate) telecommunications services in addition to certain point-to-point wireless services.

PETITION

By the Petition, Petitioner seeks Board approval to expand the Financing Arrangements for which Petitioner previously received Board approval up to a new aggregate amount (“Aggregate Amount”) specified in the Petition. On October 29, 2025, Petitioner filed an amendment to the Petition increasing the new Aggregate Amount for which present approval is sought.³ Petitioner expects that Zayo Issuer, LLC, Petitioner’s direct parent, will remain the borrower under the Financing Arrangements and that Petitioner will continue to incur indebtedness and pledge its assets as security under the Financing Arrangements, except that the Aggregate Amount of the Financing Arrangements will now be the amount requested in the Petition, as amended, as opposed to the amount previously approved by the Board.

The Financing Arrangements may include one (1) or more of the following debt instruments: notes or debentures (including notes convertible into equity and private notes that may be exchanged for public notes); conventional credit facilities, such as revolving credit facilities and term loans; letters of credit; and bridge loans; or a combination thereof. Some or all of the Financing Arrangements may be secured facilities, which may include a grant of a security interest in the assets of Zayo Issuer, LLC and its current and future subsidiaries, including Petitioner. A portion of the Financing Arrangements may be unsecured facilities. For the secured facilities, the equity of Zayo Issuer, LLC and its current and future subsidiaries, including Petitioner, may be pledged as additional security. Separately, Zayo Issuer, LLC and its current and future subsidiaries, including Petitioner, may provide a guaranty as security in support of the Financing Arrangements. The Financing Arrangements may be used for acquisitions, refinancing then-existing debt, funding capital to support growth capital needs, including those of Petitioner, and providing working capital to fund general corporate purposes.

Petitioner stated that Zayo Group and its affiliates currently have approximately sixty-six (66) employees located in New Jersey but do not have a U.S. employee pension plan for its New Jersey employees. Petitioner stated that the Financing Arrangements will not impact employees’ existing rights in any other retirement benefit plan.

² In re the Petition of Zayo Group, LLC for Authority to Provide Facilities-Based Local Exchange Telecommunications Services Throughout New Jersey, BPU Docket No. TE11020049, Order dated May 16, 2011.

³ The new Aggregate Amount of the Financing Arrangements stated in the Petition, and as amended on October 29, 2025, was claimed as confidential by Petitioner. Consistent with the Board’s rules governing claims of confidentiality, the Aggregate Amount is not identified here. See N.J.A.C. 14:1-12.1 to -12.18.

Petitioner contended that the Financing Arrangements serve the public interest by providing support for the operations and network serving Petitioner's customers. Petitioner further explained that the Financing Arrangements will serve the public interest in promoting competition among telecommunications carriers by providing Petitioner with access to financial resources that will allow it to be an effective competitor. Petitioner asserted that the Financing Arrangements are necessary and appropriate, are consistent with the performance by Petitioner of its services to the public, will not impair its ability to perform such services, and will promote its corporate purposes. Finally, Petitioner contended that the Financing Arrangements will have no adverse impact on Petitioner's customers and will not disrupt service or cause customer confusion or inconvenience.

By letter dated March 30, 2026, the New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments on the Petition. Rate Counsel stated that it does not object to Board approval of Petitioner's participation in the expanded Financing Arrangements.

DISCUSSION AND FINDINGS

Under N.J.S.A 48:3-9, prior Board approval is required for a public utility to "issue any stocks, or any bonds, notes, or other evidence of indebtedness payable more than 12 months after the date or dates thereof." Furthermore, prior Board approval is required under N.J.S.A. 48-3-7 for a public utility to "mortgage, or...encumber its property, franchises, privileges, or rights, or any part thereof." Also pursuant to N.J.S.A. 48:3-7, the Board shall not approve a proposed transaction if it appears that the public utility or a wholly owned subsidiary thereof may be unable to fulfill its pension obligations to its employees.

After investigation, and having considered the record in this proceeding, the Board **FINDS** that the expanded Financing Arrangements are consistent with applicable law and are not contrary to the public interest. The Board also **FINDS** that the expanded Financing Arrangements will have no material adverse impact on the provision of safe, adequate, and proper service at just and reasonable rates, and is likely to provide positive benefits to customers. The Board further **FINDS** that the expanded Financing Arrangements will have no material adverse impact on competition or rates.

While N.J.S.A. 48:3-7 requires the Board to determine whether the public utility or a wholly owned subsidiary thereof may be unable to fulfill its pension obligations to any New Jersey employees, the lack of an employee pension plan reflects there is no negative impact on employee pensions. Thus, the Board **FINDS** that the expanded Financing Arrangements will not have a material impact on Petitioner's employees or their pensions.

Therefore, after investigation and consideration of the record and information submitted in this proceeding, the Board **HEREBY AUTHORIZES** Petitioner to participate in the expanded Financing Arrangements up the Agreement Amount stated in the Petition, as amended, and for Petitioner to take those actions necessary to effectuate such expanded Financing Arrangements.

Consistent with the Board's order in BPU Docket No. TF24060397, Petitioner shall, every six (6) months, continue to submit to the Board Secretary, and provide a copy to the Chief Economist, a letter report detailing each debt issuance, term loan, and use of revolving credit opened or concluded in the prior six (6) months, along with copies of executed indentures associated with the authorization contained in this Order. The reports shall include the name of the issuing entity, issue date, amount of debt issued, the term in years, final maturity date, coupon rate, price to public, underwriters discount, net proceeds after expenses, gross proceeds before expenses,

breakdown of estimated issuance costs (including, but not limited to, information such as the underwriting fees, underwriting expenses, legal fees and expenses, recordation taxes and fees, etc.) and any other material provision with respect to the terms and conditions of the new issuance.

The Order shall become effective June 17, 2026.

DATED: June 10, 2026

BOARD OF PUBLIC UTILITIES
BY:



CHRISTINE GUHL-SADOVY
PRESIDENT



DR. ZENON CHRISTODOULOU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER



EMMA REBHORN
COMMISSIONER



JOSEPH COVIELLO
COMMISSIONER

ATTEST:



SHERRI L. LEWIS
BOARD 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 VERIFIED JOINT PETITION OF ZAYO NETWORK SERVICES, LLC, FOR APPROVAL
TO EXPAND ITS FINANCING ARRANGEMENTS

DOCKET NO. TF25060368

SERVICE LIST

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherri L. Lewis, Secretary
board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Office of Cable Television and Telecommunications

Lawanda R. Gilbert, Director
lawanda.gilbert@bpu.nj.gov

Malike Cummings
malike.cummings@bpu.nj.gov

Kevin McKinney
kevin.mckinney@bpu.nj.gov

Office of the Economist

Ben Witherell, Ph.D. Chief Economist
benjamin.witherell@bpu.nj.gov

Christine Lin
christine.lin@bpu.nj.gov

Counsel's Office

Ava-Marie Madeam, General Counsel
avamarie.madeam@bpu.nj.gov

Elsbeth Faiman Hans, Deputy General Counsel
elsbeth.hans@bpu.nj.gov

Kit Burnette, Associate Counsel
kit.burnette@bpu.nj.gov

TyShawn Key, Associate Counsel
tyshawn.key@bpu.nj.gov

Division of Rate Counsel

140 East Front Street, 4th Floor
Trenton, NJ 08625-0003

Brian O. Lipman, Esq., Director
blipman@rpa.nj.gov

Emily Lam, Esq.,
Assistant Deputy Rate Counsel
elam@rpa.nj.gov

Robert Glover Esq.,
Assistant Deputy Rate Counsel
rglover@rpa.nj.gov

Tara Dickerson
tara.dickerson@rpa.nj.gov

Division of Law

NJ Department of Law and Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625

Terel Klein, DAG, Section Chief
terel.klein@law.njoag.gov

Pamela Owen, DAG, Assistant Section Chief
pamela.owen@law.njoag.gov

Jack A. Ventura, DAG
jack.ventura@law.njoag.gov

Jordan Mitchell, DAG
jordan.mitchell@law.njoag.gov

Rachel Reckeweg
rachel.reckeweg@law.njoag.gov

Tanya Lloyd-Samuel
tanya.lloyd-samuel@law.njoag.gov

Petitioners

Morgan, Lewis & Bockius LLP
1111 Pennsylvania Ave., N.W.
Washington, DC 20004-2541

Joshua M. Bobeck, Esq.
joshua.bobek@morganlewis.com

Catherine Wang, Esq.
catherine.wang@morganlewis.com

Patricia Cave, Esq.
patricia.cave@morganlewis.com