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MEMORANDUM

2014 SEP -2 P 3: 29

TO: Docket Control
FROM: Steven M. Olea
Director
Utilities Division

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

SEP 2 2014

DATE: September 2, 2014

ORIGINAL

DOCKETED BY

RE: **ADMINISTRATIVE CLOSURE - IN THE MATTER OF THE APPLICATION OF ZAYO GROUP, LLC FOR APPROVAL OF A LIMITED WAIVER OF THE PUBLIC UTILITY HOLDING COMPANIES AND AFFILIATED INTEREST RULES OR, IN THE ALTERNATIVE, APPROVAL OF A REORGANIZATION UNDER A.A.C. R17-2-803 (DOCKET NO. T-20783A-14-0273)**

On July 17, 2014 Zayo Group, LLC ("Zayo") filed an Application at the Arizona Corporation Commission ("Commission") for a Limited Waiver of the Commission's Public Utility Holding Companies and Affiliated Interest Rules, Arizona Administrative Code ("A.A.C.") R14-2-801 to R14-2-806 with respect to 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 ("Holdings").

Zayo states that 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 as well as offering a portion of the Holdings equity to the public. Zayo also states this is not expected to result in any new equity owners who will hold (10) ten or more percent or more indirect ownership in Zayo. This transaction will not result in any change in Zayo's current Arizona operations including its rates, terms and conditions of service and no transfer of certificates, assets or customers will occur.

In the event the Commission declines to grant the waivers under A.A.C. R14-2-806, Zayo alternately requests, to the extent necessary, authorization for the *Pro Forma Change* under A.A.C. R14-803 pursuant to A.A.C. R14-2-803.

Pursuant to A.A.C. R14-2-806.C., the waiver has become effective on the 31st day (August 17, 2014) following filing of the Application. Staff recommends that this docket be administratively closed.

SMO:MAC:tdp

Originator: Matt Connolly

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DOCKET NO.: T-20783A-14-0273

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