

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

10/09/25

04:59 PM

A2508006

Application of Zayo Network Services, LLC for a Certificate of Public Convenience and Necessity to Provide Full Facilities-Based and Resold Competitive Local Exchange Service and Interexchange Service in California.

Application 25-08-006
(Filed August 1, 2025)

**ZAYO NETWORK SERVICES, LLC'S
RESPONSE TO ADMINISTRATIVE LAW JUDGE INQUIRY**

PUBLIC VERSION
(EXHIBITS J, L, N, O, P, Q, and R SUBMITTED AS CONFIDENTIAL)

William D. Kissinger
Pejman Moshfegh
Morgan Lewis & Bockius LLP
One Market, Spear Street Tower, 28th Floor
San Francisco, CA 94105
Tel: 415-442-1480
Fax: 415-442-1001
william.kissinger@morganlewis.com
pejman.moshfegh@morganlewis.com

Catherine Wang
Patricia Cave
Nicholas D. Paniagua
Morgan Lewis & Bockius LLP
1111 Pennsylvania Ave., NW
Washington, DC 20004
Tel: 202-739-3000
Fax: 202-739-3001
catherine.wang@morganlewis.com
patricia.cave@morganlewis.com
nicholas.paniagua@morganlewis.com

Counsel for Zayo Network Services, LLC

Dated: October 9, 2025

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Zayo Network Services, LLC for a Certificate of Public Convenience and Necessity to Provide Full Facilities-Based and Resold Competitive Local Exchange Service and Interexchange Service in California.

Application 25-08-006
(Filed August 1, 2025)

**ZAYO NETWORK SERVICES, LLC'S
RESPONSE TO ADMINISTRATIVE LAW JUDGE INQUIRY**

Pursuant to the inquiry of assigned Administrative Law Judge (“ALJ”) Paula Gruendling during the September 29, 2025 prehearing conference held in this matter (the “Inquiry”), Zayo Network Services, LLC (“Zayo-NS” or “Applicant”) submits the additional information as directed by the Inquiry.

- 1. Provide additional details and documentation regarding the matters identified in the Statement of Exceptions provided with the Application, including the date the violation occurred, date the violation was resolved, detailed explanation of the violation, detailed explanation of the resolution and any remedial action that was ordered, detailed explanation of steps taken by the entity to support investigation, remedy internal processes and procedures, and detailed explanation of steps to avoid the violation recurring. For all pending matters or matters resolved in the last five (5) years, provide documentation of the violation and the resolution.**

Response: Applicant provides the following additional information regarding the matters identified in the Statements of Exception provided with the Application:

Exception 1: Applicant’s indirect parent company Zayo Group, LLC (“Zayo Group”) is currently subject to a complaint before the Minnesota Public Utilities Commission (“MN PUC”) alleging that Zayo Group improperly disconnected a circuit or circuits without prior approval of the MN PUC. Zayo Group has argued that the circuit(s) in question was an interstate circuit and therefore not subject to MN PUC jurisdiction and even if it was subject to MN PUC jurisdiction Applicant was permitted to disconnect the circuit for nonpayment and pursuant to the request of the billing agent for the circuit. Zayo

Group is negotiating a settlement with the Minnesota Department of Commerce to resolve the complaint. The matter is assigned MN PUC Docket No. P6854/C-22-609.

Supplemental Information: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

On November 29, 2022, the Minnesota Department of Commerce (“MN DOC”) filed and served a Verified Complaint against Zayo Group with the MN PUC in Docket No. 22-609 regarding an alleged disconnection of a circuit. *See* **Exhibit A (Verified Complaint Service Letter)**. The Verified Complaint, attached as **Exhibit B**, sought an order of the MN PUC “that expressly prohibits Zayo from disconnecting any connection with another telephone company or telecommunications carrier without first obtaining Commission approval” and requested that the MN PUC consider referring the matter to the Attorney General of Minnesota for the pursuit of penalties. *See* Verified Complaint, para. 2. On December 6, 2022, the MN PUC issued a Notice of Comment Period which is attached hereto as **Exhibit C**.

Zayo Group disputed the allegations through filing of comments and reply comments to the Verified Complaint, attached hereto as **Exhibits D and E**. In its responses, Zayo Group explained that it does not provide 911 emergency services but rather serves a small role as an intermediate carrier providing a limited number of circuits for use by the state’s 911 providers. *See* Comments, pg. 2; Reply Comments, pg. 2. Zayo Group also explained that the MN PUC lacked jurisdiction over the dispute because the circuit at issue was entirely interstate. *See* Comments, pgs. 9-11, Reply Comments, pg. 2. Further, Zayo Group explained that it was not required under applicable Minnesota rules to seek Commission approval before disconnecting the circuit at issue, because (1) the disconnection was in response to non-payment, (2) the customer held itself out to be a “billing agent,” rather than a carrier, and (3) the customer had previously requested the disconnection due to lack of traffic. *See* Comments, pgs. 11-16.

The Minnesota Department of Public Safety (“MN DPS”) filed initial comments in support of the Verified Complaint which are provided as **Exhibit F**. The MN DOC also filed comments and reply comments, which are provided as **Exhibits G and H**.

There are no Court or MN PUC orders regarding the Verified Complaint and the Complaint has not been set for resolution on a MN PUC agenda. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Exception 2: Zayo Group or one of its affiliates has on occasion been subject of a proceeding before a state regulatory agency for failure to timely file a report or pay a fee. Such proceedings resulted in de minimis penalties but not in a revocation of their certificates.

Supplemental Information: Zayo Group and its affiliates do not maintain a list of all occasions on which Zayo Group or its affiliates have missed a report or fee filing deadline, or of all instances in which such entities have been the subject of a proceeding before a state regulatory agency for failure to timely file a report or pay a fee. Creating such a list and maintaining all documentation in connection with such instances would be unduly burdensome and impracticable considering that Zayo Group holds state PUC authorization in the District of Columbia and every state except Alaska. Moreover, it would be extraordinarily burdensome for the company to establish a method of tracking every time that Zayo Group or an affiliate received a question or other indication that a reporting or fee deadline may have been missed. All such incidents of failure to timely file a report or pay a fee have been resolved without imposition of a material penalty and none have resulted in the revocation of any certificates or other authorizations.

Exception 3: Zayo Group or one of its affiliates has been subject to various informal employment investigations before the Equal Employment Opportunity Commission, none of which has resulted in any negative findings or consequences against Applicant.

Supplemental Information: Zayo Group and its affiliates do not maintain a list of all occasions on which Zayo Group or its affiliates have been the subject of informal employment investigations before the Equal Employment Opportunity Commission (“EEOC”). Creating such a list and maintaining all documentation in connection with such incidences would be unduly burdensome and impracticable. Moreover, it would be extraordinarily burdensome for the company to establish a method of tracking every time that Zayo Group or an affiliate was the subject of informal employment investigations. EEOC complaints are a cost of doing business across 49 states and the District of Columbia, and all such complaints have been resolved without any negative findings or consequences against Applicant or its affiliates.

Exception 4: Prior to its acquisition by Zayo Group, its subsidiary, ENA Healthcare Services, LLC (f/k/a TeleQuality Communications, LLC) (“ENA Healthcare”), entered into a Consent Decree with the Federal Communications Commission including payment of the Settlement Amount and other compliance requirements with respect to the Rural Health Care Program support it received. *In re TeleQuality Communications, LLC*, File No. EB-IHD-19-00028870, Consent Decree (February 5, 2020).

Supplemental Information: A copy of the Consent Decree is provided as **Exhibit I**. The Consent Decree resolved an investigation by the Enforcement Bureau regarding allegations that TeleQuality Communications, LLC (together with its predecessor, TeleQuality Communications, Inc., “TeleQuality”) were alleged to have (1) used fabricated sales quotes as urban rates, (2) assisted health care providers in a manner that contravened Rural Health Care (“RHC”) Program rules, (3) provided improper incentives to health care providers, (4) failed to determine rates in accordance with Federal Communications Commission (“FCC”) rules, (5) invoiced the Universal Service Administrative Company (“USAC”) and received payment for telecommunications services it did not provide, and (6) failed to file accurate Telecommunications Reporting Worksheets and failed to make required contributions payments. *See* Consent Decree, para. 2.

The Consent Decree required TeleQuality to develop and implement a Compliance Plan with defined requirements, designate a Compliance Officer responsible for such Compliance Plan, report noncompliance, file compliance reports on specified dates for 60 months after entry into the Consent Decree, and pay a settlement amount of \$31,000,000.

The conduct that led to the Consent Decree occurred between January 1, 2015, and December 31, 2018, which was prior to ownership of ENA Healthcare by Zayo Group commencing on June 1, 2022. Under Zayo Group’s ownership, ENA Healthcare (formerly, TeleQuality) has complied with all requirements under the Consent Decree, and the requirements set forth in the Consent Decree has terminated pursuant to its terms.

Exception 5: Zayo Group or one of its affiliates has been subject to occasional complaints before the Department of Labor. Such proceedings have not resulted in any revocation of its certificates.

Supplemental Information: Zayo Group and its affiliates do not maintain a list of all occasions on which Zayo Group or its affiliates have been the subject of complaints before the Department of Labor (“DOL”). Creating such a list and maintaining all documentation in connection with such incidences would be unduly burdensome and impracticable. Moreover, it would be extraordinarily burdensome for the company to establish a method of tracking every time that Zayo Group or an affiliate was the subject of complaints before the DOL. DOL complaints are a cost of doing business across 49 states and the District of Columbia and none have resulted in the revocation of any certificates or other authorizations.

Exception 6: Zayo Group entered into a Consent Assessment of Civil Penalty with the Commonwealth of Pennsylvania, Department of Environmental Protection, including payment of a civil penalty of \$9,000, with respect to an inadvertent discharge of industrial waste to the waters of the Commonwealth without a permit by a third-party contractor of Zayo Group during horizontal directional drilling operations.

Supplemental Information:

[REDACTED]

[REDACTED]

Exception 7: Zayo Group or one of its affiliates has received a Letter of Inquiry from the Federal Communications Commission regarding possible violations of Communications Act of 1934 for operation of the AmeriCan-1 submarine cable system with an expired license.

Supplemental Information: The license granted by the FCC in connection with operation of the AmeriCan-1 submarine cable system expired on December 19, 2024. [REDACTED]

[REDACTED] On June 4, 2025, the FCC’s Office of International Affairs granted special temporary authority (“STA”) requested by Rogers Communications, Inc. (“Rogers”) on behalf of licensees of the AmeriCan-1 cable system (including Zayo) to continue operations while the FCC considers the co-licensees forthcoming application for a new cable landing license for the system. *See Exhibit K.*

[REDACTED]

[REDACTED]

Exception 8: Zayo Group or one of its affiliates have been subject to regulatory and tax inquiries and audits from regulatory agencies within the normal course of business.

Supplemental Information: Zayo Group and its affiliates do not maintain a list of all occasions on which Zayo Group or its affiliates have been the subject of regulatory and tax inquiries and audits from regulatory agencies. Creating such a list and maintaining all documentation in connection with such incidences would be unduly burdensome and impracticable. Moreover, it would be extraordinarily burdensome for the company to establish a method of tracking every time that Zayo Group or an affiliate received regulatory and tax inquiries and audits from regulatory agencies. All such regulatory and tax inquiries and audits from regulatory agencies have been resolved without imposition of a material penalty and none have resulted in the revocation of any certificates or other authorizations.

Exception 9: On June 10, 2025, the Washington Utilities and Transportation Commission (“UTC”) recorded 102 violations of WAC 480-120-411(1)(c) against Zayo Group for a service outage on several resold phone lines for one customer that began on December 5, 2024 and was resolved on May 5, 2025. The UTC acknowledged that “Zayo Group relied on CenturyLink to repair this customer’s service, and CenturyLink never completed the repair.” However, although Zayo Group itself had no ability to repair the lines, the UTC reasoned that, “Zayo Group has chosen to obtain services from CenturyLink and has the ability to make a complaint against it.” No monetary penalties were assessed to Zayo.

Supplemental Information: [REDACTED]

[REDACTED]

News Release

CenturyLink’s serious service quality violations in Washington were not isolated to Zayo Group. In April 2025, the Washington UTC issued the attached news release, *see Exhibit M*, announcing its recommendation that the commission issue a formal complaint

and impose penalties against CenturyLink for \$15,567,770. Penalties were recommended across three categories:

1. Failing to provide services in a sufficient, prompt, and reasonable manner, and ensuring that equipment and facilities were in good condition and repair. Staff found 827,828 violations and recommend penalties of \$7,183,285.2.
2. Failing to provide adequate maintenance to ensure all facilities are in safe and serviceable condition, failing to immediately correct conditions, endangering continuity of service, and failing to promptly repair or replace broken, damaged, or deteriorated equipment. Staff found 827,828 violations and recommend penalties of \$7,183,285.
3. Failing to thoroughly investigate UTC-referred complaints, report the results, and respond to urgent complaints within two business days and staff requests for additional information within three business days. Staff found 8,008 violations and recommended penalties of \$1,201,200.

Staff investigation and documents related to the case are available on the Washington UTC website under Docket Number UT-240117.

In addition to the Exceptions noted above, the ALJ noted two citations issued to affiliates of Applicant. Applicant provides responsive information regarding such citations below.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. For the following entities, please explain whether the entity has a 10% or greater financial interest (directly or indirectly) in the Applicant. For each 10% or greater financial interest holder that does business in the United States, please provide the business address for the entity. For each 10% or greater financial interest holder that does not do business in the United States, please provide a copy of a background check for the entity.

- a. Digital Bridge DCP I Carry, LLC
- b. EQT Infrastructure IV Fund
- c. EQT Infrastructure IV Co-Investment (D) SCSp
- d. EQT Saber Side Car (No. 2) EUR LP
- e. EQT Saber Side Car (No. 1) EUR SCSp
- f. EQT Infrastructure IV (General Partner) S.à r.l.
- g. EQT Holdings Infrastructure IV Cooperatief U.A.
- h. EQT Fund Management S.à r.l.¹
- i. EQT Management S.à r.l.
- j. EQT Holdings B.V.
- k. EQT AB²

Response: Please see the following information regarding each entity identified in the Inquiry:

DigitalBridge DCP I Carry, LLC: DigitalBridge DCP I Carry, LLC does not hold a direct or indirect financial interest in Applicant.

EQT Infrastructure IV Fund: EQT Infrastructure IV Fund is not a legal entity but instead is a group of limited partnerships and limited liability companies through which investments from pension funds, banks, insurance companies, sovereign wealth funds, and other investors are invested.

EQT Infrastructure IV Co-Investment (D) SCSp: EQT Infrastructure IV Co-Investment (D) SCSp indirectly holds a 12.87% financial interest in Applicant. EQT Infrastructure IV Co-Investment (D) SCSp does business in the United States and has a United States

¹ This entity appears to have been referred to as “EQT Fund Management S.A.” during the prehearing conference. The entity’s correct legal name as reflected in Appendix G is EQT Fund Management S.à r.l.

² In addition to the entities listed, an entity called “EQT AB12” was mentioned during the prehearing conference. Applicant is not aware of any entity named “EQT AB12” and expects that such reference appears to be an inadvertent inclusion of a reference to Footnote 12 in Appendix G.

business address of c/o EQT Partners, Inc., 245 Park Ave., 34th Floor, New York, NY 10167.³

EQT Saber Side Car (No. 2) EUR LP: EQT Saber Side Car (No. 2) EUR LP indirectly holds a 10.22% financial interest in Applicant. EQT Saber Side Car (No. 2) EUR LP does business in the United States and has a United States business address of c/o EQT Partners, Inc., 245 Park Ave., 34th Floor, New York, NY 10167.

EQT Saber Side Car (No. 1) EUR SCSp: EQT Saber Side Car (No. 1) EUR SCSp indirectly holds a 10.12% financial interest in Applicant. EQT Saber Side Car (No. 1) EUR SCSp does business in the United States and has a United States business address of c/o EQT Partners, Inc., 245 Park Ave., 34th Floor, New York, NY 10167.

EQT Infrastructure IV (General Partner) S.à r.l.: EQT Infrastructure IV (General Partner) S.à r.l. does not hold a direct or indirect financial interest in Applicant.

EQT Holdings Infrastructure IV Coöperatief U.A.: EQT Holdings Infrastructure IV Coöperatief U.A. does not hold a direct or indirect financial interest in Applicant.

EQT Fund Management S.à r.l.: EQT Fund Management S.à r.l. does not hold a direct or indirect financial interest in Applicant.

EQT Management S.à r.l.: EQT Management S.à r.l. does not hold a direct or indirect financial interest in Applicant.

EQT Holdings B.V.: EQT Holdings B.V. does not hold a direct or indirect financial interest in Applicant.

EQT AB: EQT AB does not hold a direct or indirect financial interest in Applicant.

4. Please provide the home address and social security number for all individuals identified in Appendix G.

Response: The home addresses and social security numbers for the officers identified in Appendix G have been separately provided to the ALJ.

³ Additionally, all entities identified on Appendix G with the following address have since moved to the address listed in response to question 3: c/o EQT Partners, Inc., 1114 Avenue of the Americas, 45th Floor, New York, NY 10036.

Dated at San Francisco, CA this 9th day of October, 2025.

Respectfully submitted,

/s/ Pejman Moshfegh

William D. Kissinger

Pejman Moshfegh

Morgan Lewis & Bockius LLP

One Market, Spear Street Tower, 28th Floor

San Francisco, CA 94105

Tel: 415-442-1480

Fax: 415-442-1001

william.kissinger@morganlewis.com

pejman.moshfegh@morganlewis.com

Catherine Wang

Patricia Cave

Nicholas D. Paniagua

Morgan Lewis & Bockius LLP

1111 Pennsylvania Ave., NW

Washington, DC 20004

Tel: 202-739-3000

Fax: 202-739-3001

catherine.wang@morganlewis.com

patricia.cave@morganlewis.com

nicholas.paniagua@morganlewis.com

Counsel for Zayo Network Services, LLC