

700 Crossroads Building
2 State Street, Rochester, New York 14614
P 585.987.2800 F 585.454.3968



ATTORNEYS
woodsoviatt.com

1900 Main Place Tower
Buffalo, New York 14202
P 716.248.3200 F 716.854.5100

December 31, 2015

Via DMM Electronic Filing

Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, New York 12223-1350
secretary@dps.ny.gov

**Re: Verified Petition of Greenlight Networks, LLC for Expedited Approval of
Debt Financing Pursuant to Section 101 of the Public Service Law**

Dear Hon. Burgess:


Greenlight Networks, LLC ("Greenlight") hereby encloses the **PUBLIC VERSION** of its Verified Petition for Expedited Approval of Debt Financing Pursuant to Section 101 of the Public Service Law (the "Petition"), together with a Method of Service form for this matter. Pursuant to its Request for Confidential Treatment provided to the Records Access Officer, Greenlight also submits the **CONFIDENTIAL VERSION** of the Petition.

Greenlight continues to be at a critical juncture in constructing its high speed broadband fiber network and facilities. There is a critical need for funds to complete network expansion projects, which funds will be raised by the proposed financing described in the Petition. In order to avoid unnecessary delays in the completion of Greenlight's network expansion projects, Greenlight respectfully requested that the Commission issue an Order approving the Petition at its first possible opportunity, rather than allowing the Petition to become effective by operation of law.

[Continued on next page]

Please date stamp a copy of the Petition and Request for Confidential Treatment and return copies to us at your earliest convenience. If you have any questions concerning this matter, please contact the undersigned.

Respectfully submitted,



Steven A. Suozzi, Law Clerk
Woods Oviatt Gilman LLP
Counsel to Greenlight Networks, LLC
ssuozzi@woodsoviatt.com

Enclosures

CC: Gordon E. Forth, Esq.
Mark Murphy, Greenlight Networks, LLC, President
David DeJoy, CPA

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

-----X
In the Matter of)
)
Verified Petition of Greenlight Networks, LLC)
for Expedited Approval of Debt Financing)
Pursuant to Section 101)
of the Public Service Law)
-----X

Case No. _____

**VERIFIED PETITION OF GREENLIGHT NETWORKS, LLC
FOR EXPEDITED APPROVAL OF
DEBT FINANCING PURSUANT TO SECTION 101
OF THE PUBLIC SERVICE LAW**

Woods Oviatt Gilman LLP
2 State Street, Suite 700
Rochester, New York 14614
(585) 987-2800
Attorneys for Greenlight Networks, LLC

Of Counsel:

Gordon E. Forth, Esq.
gforth@woodsoviatt.com

Dated: December 31, 2015

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

-----X
In the Matter of)
)
Verified Petition of Greenlight Networks, LLC)
for Expedited Approval of Debt Financing) Case No. _____
Pursuant to Section 101)
of the Public Service Law)
-----X

**VERIFIED PETITION OF GREENLIGHT NETWORKS, LLC
FOR EXPEDITED APPROVAL OF
DEBT FINANCING PURSUANT TO SECTION 101
OF THE PUBLIC SERVICE LAW**

Pursuant to Section 101 of the New York State Public Service Law, Greenlight Networks, LLC (hereinafter "Greenlight"), through its undersigned attorneys, hereby respectfully requests approval from the New York State Public Service Commission (the "Commission") to participate in a debt financing arrangement.

In support of this request, Greenlight states the following:

I. GREENLIGHT NETWORKS, LLC

Greenlight is a limited liability company duly organized and existing under the laws of the State of New York, and its principal offices are located at 300 Main Street, Suite 4-103, East Rochester, New York 14445.

On June 21, 2012, the Commission granted a Certificate of Public Convenience and Necessity ("CPCN") to Greenlight, to operate in New York State as a facilities-based provider and reseller of telephone service, without authority to provide local exchange service, pursuant to Matter No. 12-00983. Greenlight provides high-speed broadband services to residential and

certain commercial customers in Monroe County, New York, through its fiber optic network, and is in the process of constructing additional fiber networks in other locations in New York for the purpose of offering its services to additional customers. Additional information regarding Greenlight and the services it provides was submitted to the Commission in connection with the grant of its CPCN and is attached hereto (together with the letter granting approval) as **Exhibit A**, and is further a matter of public record, and Greenlight requests that such information be incorporated by reference herein.¹

On July 2, 2014, the Commission approved Greenlight's petition under Sections 100 and 101 of the Public Service Law to participate in debt and equity financing arrangements. A copy of the Order granting such approval is attached hereto as **Exhibit B** (the "2014 PSC Approval"). On March 11, 2015 the Commission approved Greenlight's petitions under Sections 100 and 101 of the Public Service Law to participate in additional debt financing arrangements. A copy of the Order granting such approval is attached hereto as **Exhibit C** (the "2015 PSC Approval").

II. DESIGNATED CONTACTS

The designated contacts for questions concerning this Verified Petition are as follows:

Gordon E. Forth, Esq.
Woods Oviatt Gilman LLP
2 State Street, Suite 700
Rochester, NY 14614
(585) 987-2800

Copies of any correspondence should also be sent to the following designated representative of Greenlight and DKBS, as follows:

¹ See Petition of Greenlight Networks, LLC for an Original Certificate of Public Convenience and Necessity to resell all forms of intra-state telephone service in the State of New York; to provide facilities-based private line and switched intercity service; and to provide intra-city switched and non-switched services as a facilities-based carrier. Letter of Chad G. Hume, Director, Office of Telecommunications, Approving Request (June 21, 2012).

Mark Murphy, President
Greenlight Networks, LLC
300 Main Street, Suite 4-103
East Rochester, NY 14445
(585) 351-6601

David J. DeJoy, Member
DKBS, LLC
39 State Street, Suite 600
Rochester, NY 14614

III. DESCRIPTION OF THE PROPOSED DEBT FINANCING

[REDACTED]

IV. PUBLIC INTEREST STATEMENT

Approval of the proposed additional debt financing, as requested by this Verified Petition, will serve the public interest because such approval will promote further development of the competitive marketplace for high-speed broadband services by providing Greenlight with access to greater financial resources, allowing it to build its fiber network and become a more effective competitor. Among other things, the financial resources approved by this Verified Petition will support strategic growth initiatives and network expansion projects, provide for ongoing working capital, and support other corporate purposes.

The approvals requested are necessary and appropriate, are consistent with Greenlight's performance of its services to the public, will not impair Greenlight's ability to perform such services, and will promote the corporate purposes of Greenlight.

V. FINANCIAL INFORMATION

Greenlight is a non-dominant carrier, operating in a highly competitive market, and does not and will not control any bottleneck facilities. The Commission has determined that the

submission of detailed financial information regarding transactions involving competitive, non-dominant carriers is not required:

“The Commission has previously determined that regulations intended to apply to monopoly utilities may be relaxed when a company operates in a competitive environment. Therefore, we shall grant petitioners’ request to waive Parts 37 and 39 of the Commission’s Rules. The financial and other information called for in Parts 37 and 39 are of little value in the competitive sector where the financial status of the players is of little, if any, interest to the Commission in discharging its regulatory responsibilities.”²

Accordingly, this Commission is able to review this Verified Petition without the need for review of any further financial information.

VI. REQUEST FOR EXPEDITED REVIEW

Greenlight continues to be at a critical juncture in constructing its high speed broadband fiber network and facilities. There is a critical need for funds to complete network expansion projects, which funds will be raised by the proposed additional debt financing described in this Verified Petition. In order to avoid unnecessary delays in the completion of Greenlight’s network expansion projects, Greenlight respectfully requests that this Verified Petition be processed by the Commission, and that the Commission issue an Order approving this Verified Petition, at its first possible opportunity, rather than allowing the Petition to become effective by operation of law.

² See, Case 92-C-1218, Petition of Teleport Communications Group, et al. for Authority to Issue and Acquire Shares and to Issue Evidences of Indebtedness, “Order Approving Petition” issued and effective 13 April 1993. See also Case 90-C-0166, Petition of Alltel Corporation for a Declaratory Ruling that the Commission Lacks Jurisdiction Over the Proposed Change of its State of Incorporation or, in the Alternative for Approval of the Proposed Transaction, “Declaratory Ruling” issued and effective 23 April 1990.

VII. CONCLUSION

Greenlight submits that the public interest, convenience, and necessity would be furthered by the Commission's approval of this Verified Petition.

WHEREFORE, Greenlight respectfully requests that the Commission, on an expedited basis and at its earliest opportunity, issue an Order approving Greenlight's participation in the debt financing described in this Verified Petition, and for such other relief as may be necessary to carry out the transactions described herein.

Respectfully submitted,

Woods Oviatt Gilman

Gordon E. Forth, Esq.
Woods Oviatt Gilman LLP
2 State Street, Suite 700
Rochester, NY 14614
(585) 987-2800
Attorneys for Greenlight Networks, LLC

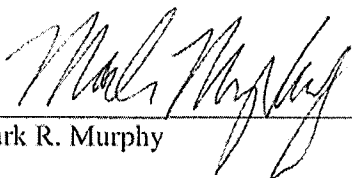
Dated: December 31, 2015

VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF MONROE) ss:

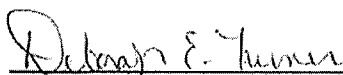
Mark R. Murphy, being duly sworn, states that:

1. I am the President and Chief Executive Officer of Greenlight Networks, LLC.
2. I am familiar with the verified petition of Greenlight Networks, LLC for expedited approval of debt financing, which will be filed with the New York State Public Service Commission on or about December 31, 2015.
3. The statements of fact contained in the petition are true and correct to the best of my knowledge, information and belief.



Mark R. Murphy

Sworn to before me this
31st day of December, 2015.



Notary Public

Deborah E Turner
Notary Public-State of NY
NO:01TU6312678 Monroe County
Expires: October 6, 2018

EXHIBIT A

PETITION FOR CPCN AND APPROVAL LETTER

See attached.

Petition

Petition Information Required by All Companies filing for a CPCN

Please fill out petition, sign and submit.

Electronically file to Secretary@dps.ny.gov .

Use company cover letter of petitioner or on behalf of petitioner.

1. Identification of applicant and principal business office:

Company Name	Greenlight Networks, LLC
Street Address (P.O. Box is <i>not</i> acceptable)	15 Loch Loyal Court
City, State, Zip Code	Penfield, New York 14526
President and Telephone/Fax	Mark R. Murphy, (585) 568-8560
Other Officers and Telephone/Fax	

**2. After Submission of your CPCN application a Telecommunications Carrier Critical Information (TCCI) must be submitted electronically. An electronic version of this form is available at the following link:
[Telecommunications Carrier Critical Information Form.](#)**

Check box confirming that TCCI form will be submitted electronically after submission of your CPCN application.

**3. A copy of the company's certificate of incorporation from the Department of State and, if not incorporated in New York State, a copy of the authority to transact business in New York State (foreign business authority). If not incorporated, include a list of the names, addresses, and telephone numbers of the company's owners.
Provide on EXHIBIT attachment.**

4. The company's Federal Social Security Account Number and/or Federal Employer Identification Number.

SS or ID | 45-2867698

**5. A general description of the services to be offered and how it would enhance cor
Fill in the box below or provide on EXHIBIT attachment.**

See attached Exhibit.

6. If applying for authorization to provide local exchange service (residential and/or communications services direct routing of "0-" calls, including for emergency calls (by certification process is prescribed. Such companies need to provide additional inform emergency calls promptly and reliably, in accordance with the requirements of sector have "0-" emergency calls processed by the ILEC or other "0-" certified operator servi certification of its own.

- | | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Check box if not applying to provide operator services. |
| <input type="checkbox"/> | Check box if company is applying and will provide operator services and submit attachment. |

7. If applying for authorization to provide local exchange service (residential and/or business dialtone), describe how your company will provide access to public safety/emergency telephone services, access to the statewide relay system and lifeline service. In addition, the applicant must comply with the requirements enumerated on pages 30-31 of the Commission's Order in Case 94-C-0095, issued May 22, 1996. The Commission will entertain waivers of any of these specific requirements only on a case-by-case basis. Please describe briefly how the company plans to comply with these requirements. If you do not plan to provide local exchange services, please state so.

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Check if not applying for local exchange service. |
| <input type="checkbox"/> | Check if applying and fill in the box below or provide description on EXHIBIT attachment. |

8. Indicate whether the company ever acquired a customer or has been the subject of a complaint and/or investigation for unauthorized switching of a customer from another company. If so, please provide an explanation below.

The company has never acquired a customer or has been the subject of a complaint and/or investigation for unauthorized switching of a customer from another company.

9. If applying for authorization to provide local exchange service (residential and/or business dialtone), include an intraLATA presubscription implementation plan.

Check box if not applying. If applying provide plan on EXHIBIT attachment.

Additional Information Required by Companies applying as Facilities-Based Provider. *If requesting authority to offer Facilities-Based Services in the future companies should describe how they will undertake to comply with the Commission requirements prior to providing facilities based services. Facilities may be purchased or leased from other New York certified carriers, or companies may provide new construction.*

10. If applying for authorization to provide facilities based local exchange services (residential and/or business dialtone), the company is expected to comply with the Commission's Network Reliability Orders issued in Case 03-C-0922 - Proceeding on Motion of the Commission to Examine Telephone Network Reliability. One Order, issued July 28, 2004, addressed such items as Telecommunications Service Priority (TSP) rates and procedures, dual cable entrance facilities and a show cause requirement concerning route diversity and a new service, Critical Facilities Administration Service. A second order, re-addressing Telephone Network Reliability, was issued on *June 15, 2005*. The application should describe how the company will undertake to comply with these Commission requirements. If you do not plan to provide facilities based local exchange services, please state so.

Check box if not applying for facilities based services.

Check box if applying for future authorization to provide facilities based local exchange services.

Check box if applying and describe how it will comply with Commission requirements on EXHIBIT attachment.

11. If providing new construction include a description of the plant and system to be constructed and the anticipated construction schedule.

Check box if "NA" or provide EXHIBIT attachment.

12. I, Mark R. Murphy, do hereby affirm that the contents of this document are true to the best of my knowledge.

Signed: Mark R. Murphy _ (e-signature)

Date: May 8, 2012

Title & Company :	Managing Partner Greenlight Networks, LLC
-------------------------	--

Greenlight Networks, LLC
New York CPCN Application

Exhibits

SECTION 3 REQUIRED INFORMATION

Certificate Of Incorporation (Attached)

SECTION 4 REQUIRED INFORMATION

Description of Services

Greenlight Networks will build, own, and operate fiber optic networks in areas not currently served by another fiber optic service provider, e.g., Verizon FiOS. We will offer Ethernet connections and ultra-high speed Internet service up to 1 Gbps, with a focus on residential customers in single family homes and multiple dwelling units. It is anticipated that service will initially be provided in the 585 NPA, with future expansion into other areas of the state.

Over the past several years, companies like Fibertech Networks, LLC have constructed vast fiber-optic networks in areas across New York. These networks have primarily been used to provide service to IXCs, CLECs, wireless carriers, and large enterprises. As a result, the price of bandwidth has decreased and the number of services available to these customers has grown dramatically due to these competitive fiber-optic networks.

However, consumers have generally not been direct beneficiaries of these fiber-optic networks in New York. Relying in part on such competitive fiber-optic facilities, Greenlight intends to compete with incumbent phone and cable companies who provide Ethernet and high-speed Internet service in our markets. By offering a fiber-optic connection directly to homes and MDUs, we believe that we will offer significantly greater bandwidth and a lower price per Megabit.

We will exclusively be targeting areas where no other incumbent provider is offering an ultra high-speed Internet service, and we believe in those cases we will be the only viable competitor to the cable company in those areas for broadband service for residential customers. The ultra high-speed service will further promote competition by incenting other service providers to offer similar broadband speeds and/or reduce prices to stay competitive.

Lastly, our ultra high-speed service is aligned with The FCC's National Broadband Plan's key recommendations:

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350
www.dps.state.ny.us

PUBLIC SERVICE COMMISSION

GARRY A. BROWN
Chairman
PATRICIA L. ACAMPORA
MAUREEN F. HARRIS
ROBERT E. CURRY JR.
JAMES L. LAROCCA
Commissioners



PETER MCGOWAN
General Counsel

JACLYN A. BRILLING
Secretary

June 21, 2012

Mr. Mark R. Murphy
Greenlight Networks, LLC
15 Loch Loyal Court
Penfield, New York 14526

Re: Matter No. 12-00983 – Petition of Greenlight Networks, LLC for an Original Certificate of Public Convenience and Necessity to resell all forms of intra-state telephone service in the State of New York; to provide facilities-based private line and switched intercity service; and to provide intra-city switched and non-switched services as a facilities-based carrier.

Dear Mr. Murphy:

The application, by Greenlight Networks, LLC on May 8, 2012, for a Certificate of Public Convenience and Necessity to operate in New York State as a facilities-based provider and reseller of telephone service, without authority to provide local exchange service, is hereby approved. This approval is based upon the accuracy of the information provided in the company's application and may be revoked if the application is found to contain false or misleading information, for failure to file or maintain current tariffs, or for violation of Commission rules and regulations.

The company's tariff, P.S.C. No. 1 – Telephone, is also approved. The Secretary to the Commission will cause a copy of this letter to be filed with your company's tariff, as notice to the public that the filing was allowed to go into effect on the date of this letter, as opposed to the date indicated on the tariff leaves themselves.

The company is not authorized to use its own operators to handle 0- (emergency or non-emergency) calls. Such calls must be routed to another telephone company or operator services provider authorized to handle such calls, until such time as an amended Certificate of Public Convenience and Necessity is obtained pursuant to Part 649.6 of the Commission's rules.

Mr. Murphy

June 21, 2012

The company must obtain any required consents of municipal authorities before commencing construction of telephone lines. It must also comply with applicable federal laws, New York State Public Service Law and related statutes, and the Commission's rules and regulations.

The company is also required to file a Statement of Gross Intrastate Operating Revenues by March 31 each year. It will be notified in writing each year of the required content and format of this report.

If you have any questions, please contact Guy Lounsbury at (518) 473-6161.

By direction and delegation
of the Commission,



Chad G. Hume
Director

Office of Telecommunications

cc: Greg Pattenaude
Gary Hildenbrandt
Judy Sylvester
Central Operations

EXHIBIT B

2014 PSC APPROVAL

See attached.

Filed: Session of July 24, 2014
Approved as Recommended
and so Ordered
By the Commission

Kathleen H. Burgess

By Order Entered by Secretary
New York Public Service Commission

KATHLEEN H. BURGESS
SECRETARY

Issued & Effective July 24, 2014

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

July 2, 2014

TO: THE COMMISSION

FROM: Office of Telecommunications

SUBJECT: CASE 14-C-0227 - Verified Petition of Greenlight Networks, LLC for Expedited Approval of Debt and Equity Financing Pursuant to Section 101 and Holder of Greater than 10% Voting Equity Pursuant to Section 100 of the Public Service Law.

SUMMARY OF

RECOMMENDATION: Staff recommends that approval be granted, pursuant to Sections 100 and 101 of the Public Service Law, for Greenlight Networks, LLC to participate in debt and equity financing arrangements.

SUMMARY

By petition dated June 20, 2014, pursuant to Public Service Law Section 101, Greenlight Networks, LLC (Greenlight) requests Commission approval to participate in debt and equity financing arrangements that will provide Greenlight with a total \$1,250,000 in additional funds. Greenlight expects to use the proceeds from the proposed financing to extend its broadband fiber network into new markets, to improve and enhance its service capabilities, and for operating expenses. Additionally, pursuant to Public Service Law Section 100, the petition requests Commission approval for an investor, DKBS, LLC (DKBS),

to hold a greater than 10% voting equity interest in Greenlight. Specifically, following the issuance of equity to DKBS, it will hold 14.66% of Greenlight's outstanding equity. The proposed financing arrangements will not affect Greenlight's provision of services in New York, and there will be no adverse impact on customers. Staff recommends Commission approval of the proposed debt and equity financing arrangements.

BACKGROUND

Greenlight is a New York corporation with its principal business address at 300 Main Street, Suite 4-103, East Rochester, New York, 14445. Greenlight is authorized to provide facilities based and resold telecommunications services in New York pursuant to a CPCN issued in Matter No. 12-00983 on June 21, 2012. Greenlight provides high-speed broadband services to residential and certain commercial customers in Monroe County, New York through its fiber optic network and is in the process of constructing additional fiber networks in other locations in New York.

DKBS is a New York limited liability company with its principal business address at 39 State Street, Suite 600, Rochester, New York, 14614. DKBS was formed to invest in various businesses and is managed by its members.

PROPOSED TRANSACTION

Greenlight requests Commission approval, pursuant to PSL Section 101, to participate in certain debt and equity financing arrangements to obtain an aggregate \$1,250,000 of additional funds. With regard to debt financing, the company proposes to obtain a senior secured credit facility in the maximum principal amount of \$750,000, and a subordinated secured

mezzanine loan facility in the aggregate principal amount of \$340,000. Both the senior credit facility and the subordinated mezzanine loan will be secured through respective security agreements containing terms that are standard for the industry. The interest rates for the promissory notes evidencing the senior secured facility and the subordinated secured mezzanine facility will be competitive with market conditions.

Greenlight also intends to issue additional equity interest in the company by which it will obtain an aggregate amount of \$160,000. Greenlight's equity is comprised of Membership Units, including Class A Units and Class B Units, both of which have full voting rights. As part of the financing transactions described above, Greenlight will issue 160,000 Class A Units, with 80,000 Class A Units being issued to each of two separate investors. While one unnamed investor will thereby obtain a 6.9% voting stake in the company, DKBS will hold 14.66% of Greenlight's outstanding equity after the transaction is completed. Accordingly, the petition requests Commission approval, per PSL Section 100, for DKBS to hold a greater than 10% interest in Greenlight. DKBS will not own a controlling interest in Greenlight, and Greenlight does not seek to transfer majority or actual control of the company to any entity or individual.

DISCUSSION

The petitioners represent that the proposed transactions are in the public interest insofar as such approval will provide Greenlight with access to greater financial resources, allowing it to build and expand its fiber network, to improve and enhance its service capabilities, and for operating expenses. They further represent that the transactions will not

impact Greenlight's management or its provision of services, and there will be no adverse impact on customers in New York.

CONCLUSION

Based on Staff's analysis and the representations in the petition, the proposed debt and equity financing arrangements are in the public interest. Services provided to the petitioners' current customers will continue without interruption and with no immediate changes to the rates, terms and conditions of service.

RECOMMENDATION

It is recommended that:

1. The petition of Greenlight Networks, LLC to participate in debt and equity financing arrangements be approved.

2. The case be closed.

Respectfully submitted,

DAVID W. CRAMER
Utility Analyst II (Telecom)
Office of Telecommunications

Reviewed by,

GRAHAM JESMER
Assistant Counsel
Office of General Counsel

APPROVED:

RUVAIN S. KUDAN
Utility Supervisor
Office of Telecommunications

EXHIBIT C

2015 PSC APPROVAL

See attached.

Filed Session of March 25, 2015
Approved as Recommended
and so Ordered
by the Commission
(Signed)

KATHLEEN H. BURGESS
Secretary

Issued & Effective March 26, 2015

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

March 11, 2015

TO: THE COMMISSION

FROM: OFFICE OF ACCOUNTING, AUDITS AND FINANCE

SUBJECT: CASE 15-C-0096 - Petition of Greenlight Networks, LLC
for Expedited Approval of Debt Financing Pursuant to
Section 101 of the Public Service Law.

CASE 15-C-0138 - Verified Petition of Greenlight
Networks, LLC for Expedited Approval of Debt Financing
Pursuant to Section 101 of the Public Service Law.

RECOMMENDATION: Staff recommends that the Commission
authorize Greenlight Networks, LLC to issue
up to \$300,000 in a subordinated secured
loan facility and \$1,000,000 in a senior
secured credit facility.

SUMMARY

In petitions filed on February 13, 2015, and March 4, 2015, pursuant to Section 101 of the Public Service Law, Greenlight Networks, LLC (Greenlight) requests approval of the Commission to borrow up to \$300,000 via a subordinated secured loan facility and \$1,000,000 via a senior secured credit facility. Greenlight will use the proceeds from the proposed debt financings to extend its high speed broadband fiber network and facilities in new markets, to improve and enhance its service capabilities to benefit all of its existing and prospective customers, and for operating expenses. The proposed senior loan will be used to fund a series of equipment loans. Staff recommends Commission approval of the petition.

BACKGROUND

Greenlight is a New York corporation with its principal business address at 300 Main Street, Suite 4-103, East Rochester, New York, 14445. Greenlight is authorized to provide facilities based and resold telecommunications services in New York pursuant to a Certificate of Public Convenience and Necessity (CPCN) issued in Matter No. 12-00983 on June 21, 2012. Greenlight provides high-speed broadband services to residential and certain commercial customers in Monroe County, New York through its fiber optic network and is in the process of constructing additional fiber networks in other locations in New York.

PROPOSED TRANSACTION

As stated above, Greenlight plans to borrow up to \$300,000 via a subordinated secured loan facility and \$1,000,000 via a senior secured credit facility. The loans are being offered exclusively to Greenlight's equity holders and will be secured through security agreements containing terms that are standard for the industry.

The proposed \$300,000 debt financing will be structured as a subordinated secured mezzanine loan facility, subordinated to the senior secured credit facility approved by the Commission in Case 14-C-0227. The proposed subordinated secured loans will accrue interest at a fixed rate of 8% per annum and will be repayable in 60 monthly installments beginning January 1, 2016. In connection with the proposed debt financing described hereunder, the subordinate secured mezzanine loans approved by the PSC in 2014 will be amended to have the same repayment terms as the New Loans.

The proposed \$1,000,000 senior secured credit facility will be senior to the \$300,000 subordinated secured mezzanine loan facility and will be pari-passu, or equal, with a senior

secured facility approved by the Commission in 2014. This credit facility is being provided exclusively by Greenlight's existing senior creditor and the interest rate will be market based and repayable with a 60-month amortization after a nine-month interest only period with interest accruing at a variable rate of prime plus 1.0%. The proceeds from the loans will support strategic growth initiatives and network expansion projects, provide for ongoing working capital, and support other corporate purposes.

Greenlight requests that this petition be addressed at the Commission's March 25 session. Requests to issue debt made pursuant to PSL Section 101 that do not require additional Commission scrutiny, as is the case with this petition, automatically go into effect 45 days after filing by operation of law. Greenlight, however, requests expedited treatment in this case in order to avoid unnecessary delays in the completion of Greenlight's network expansion projects.

DISCUSSION and CONCLUSION

The petitioners represent that the proposed transactions are in the public interest insofar as such approval will promote further deployment of competitive broadband services by providing Greenlight with access to greater financial resources, allowing it to build and expand its fiber network and become a more effective competitor. Greenlight represents that the transactions are consistent with its service to the public and will not impair its provision of services.

Based on Staff's analysis and the representations in the petition, the proposed debt financing and the amendment of term in Case 14-C-0227 are in the public interest. Services provided to the petitioners' current customers will continue without interruption and with no immediate changes to the rates, terms and conditions of service.

It is recommended that:

- The petitions of Greenlight Networks, LLC to participate in two debt financing arrangements be approved.
- The subordinate secured mezzanine loans approved by the PSC in Case 14-C-0227 will be amended to have the same repayment terms as the new mezzanine loans.
- These cases be closed.

Respectfully submitted,

KENNETH BULLOCK
Senior Utility Financial
Analyst
Office of Accounting, Audits
and Finance

PATRICK J. BARRY
Supervisor, Utility
Accounting and Finance
Office of Accounting, Audits
and Finance

Reviewed by:

GRAHAM JESMER, Assistant Counsel
Office of General Counsel

Approved by:

THOMAS A. D'AMBROSIA
Chief, Office of
Accounting, Audits and Finance

NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE

METHOD OF SERVICE FORM

This form should be filed with all new petitions and applications that require action by the Commission. It will allow us to serve you with the Commission decision using the method you select.

Name:	Steven A. Suozzi
Your Company/Organization:	Woods Oviatt Gilman LLP
Mailing Address:	2 State Street, Suite 700 Rochester, NY 14614
Company/Organization you represent, if different from above:	Greenlight Networks, LLC
E-Mail Address:	ssuozzi@woodsoviatt.com
Case/Matter # (if known)	

If you consent to receive Commission-issued orders electronically, you will receive all Commission-issued documents electronically. If you do not consent to receive Commission-issued orders electronically, you will receive all Commission-issued documents by mail.

Check the box(es) in A or B, below:

A.

I am authorized by the party I represent to grant consent to receive electronic-only service of Commission-issued orders, AND

I, on behalf of myself or the party I represent, knowingly waive the right specified in Public Service Law §23(1) to be served personally or by mail with orders that affect me or the party I represent and consent to receive service of Commission-issued orders by electronic means only. This consent remains in effect until revoked.

B

I do not consent to receive electronic service and instead request that the DPS mail Commission-issued document(s) to me.

Signature: /s/ Steven A. Suozzi	Date: 12/31/2015
---------------------------------	------------------

Please note that this form applies to this filing only.

To the extent possible, please file this form in .pdf format.