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April 4, 2013

## VIA MESSENGER DELIVERY

Ms. Barcy F. McNeil  
Chief, Docketing Division  
Public Utilities Commission of Ohio  
180 E. Broad Street, 13<sup>th</sup> Floor  
Columbus, Ohio 43215

RECEIVED-DOCKETING DIV  
2013 APR -4 PM 12:03  
PUCO

Re: In The Matter of: The Application of PEG Bandwidth, LLC for New Operating Authority, Case No. 12-0571-TP-ACE

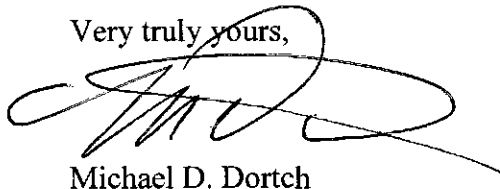
Dear Ms. McNeil:

Enclosed please find an original and seven copies of a Motion for Protective Order submitted on behalf of the applicant, PEG Bandwidth, LLC in the above captioned matter. In addition, pursuant to Ohio Admin. Code section 4901-1-24(D), PEG Bandwidth, LLC is submitting three copies of Exhibit D-2 (Financial Statements) to its application.

Please accept the original and six copies of the Motion for filing in the above identified matters, together with the sealed materials. I would appreciate the return of a time stamped copy via the individual who delivers the same to you.

As always, please call me if you have any questions concerning this filing. Thank you.

Very truly yours,



Michael D. Dortch

Enclosures

cc (via email): Jay Birnbaum, Esq.  
Ms. Teresa Denemy

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business  
Technician AND Date Processed 4/4/13

In the Matter of the Application of )  
PEG Bandwidth, LLC ) • Case No. 13-0571-TP– ACE  
for New Operating Authority )

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**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
PEG Bandwidth, LLC	)	Case No. 13-0571-TP– ACE
for New Operating Authority	)	

**MEMORANDUM IN SUPPORT OF  
MOTION FOR PROTECTIVE ORDER**

PEG Bandwidth, LLC ("PEG Bandwidth") is concurrently filing an Application for New Operating Authority (the "Application") attached to which as Exhibit D-2 are financial statements (the "Confidential Information") of its immediate parent company, PEG Bandwidth Holdings, LLC, which is guaranteeing the performance of the financial obligations of PEG Bandwidth, LLC. Because PEG Bandwidth considers the financial statements to be confidential, they have been filed under seal as required by Ohio Adm. Code 4901-1-24(D).

The Confidential Information includes detail about PEG Bandwidth's finances that would be of significant interest to competitors. Consequently, that data constitutes confidential information that should not be disclosed in the public record.

The Confidential Information constitutes trade secrets as defined in Revised Code § 1333.61(D). The information (1) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use, and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

The Ohio Supreme Court adopted six factors to be used in determining whether a trade secret claim meets the statutory definition:

- 1) The extent to which the information is known outside the business;

- 2) The extent to which it is known to those inside the business, i.e., by the employees;
- 3) The precautions taken by the holder of the trade secret to guard the secrecy of the information;
- 4) The savings effected and the value to the holder in having the information as against competitors;
- 5) The amount of effort or money expended in obtaining and developing the information; and
- 6) The amount of time and expense it would take for others to acquire and duplicate the information.

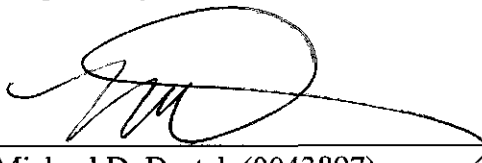
*State ex rel The Plain Dealer v. Ohio Dept. of Ins.*, 80 Ohio St.3d 513, 524-525 (1997).

The Confidential Information is not known outside of PEG Bandwidth and is known within PEG Bandwidth only to senior managers and a limited number of employees with a particular need to know. PEG Bandwidth has taken precautions to guard the secrecy of the Confidential Information by limiting its dissemination. Further, PEG Bandwidth expended a significant amount of time and money in developing the Confidential Information. Disclosure of the Confidential Information would harm PEG Bandwidth's competitive position in the marketplace. (See attached Affidavit of Richard Ruben, Chief Executive Officer, PEG Bandwidth, LLC.)

The protection of trade secret information from public disclosure is consistent with the purposes of Title 49 because the Commission and its Staff have access to the information. Granting protection of the Confidential Information requested herein will not impair the Commission's regulatory responsibilities.

Confidential treatment of Exhibit D-2 to the Application is therefore both appropriate and required by Ohio law and the Commission's rules. For the foregoing reasons, PEG Bandwidth prays that its Motion for Protective Order be granted.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'MD', is written over a horizontal line.

Michael D. Dortch (0043897)  
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Attorneys for:  
PEG Bandwidth, LLC

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
PEG Bandwidth, LLC	)	Case No. 13-0571-TP- ACE
for New Operating Authority	)	

**AFFIDAVIT OF RICHARD RUBEN**

STATE OF PENNSYLVANIA  
COUNTY OF MONTGOMERY

NOW COMES Richard Ruben, being first duly cautioned and sworn, deposes and says as follows:

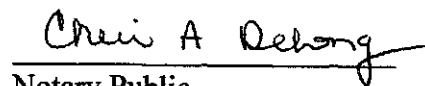
1. I am Chief Executive Officer of PEG Bandwidth, LLC; 3 Bala Plaza East, Suite 502, Bala Cynwyd, PA 19004. I am authorized to make this Affidavit on behalf of PEG Bandwidth, LLC, and do so in the ordinary discharge of my responsibilities.
2. I have personal knowledge of all relevant matters pertaining to the Application for New Operating Authority (the "Application") that PEG Bandwidth filed with the Public Utilities Commission of Ohio, including Exhibit D-2.
3. PEG Bandwidth considers Exhibit D-2 (the "Financial Information") to be confidential.
4. The Financial Information is not otherwise available to the general public, and includes detail about PEG Bandwidth's finances that would be of significant interest to competitors. Consequently, PEG Bandwidth is requesting that the Financial Information not be disclosed to the public.
5. The Financial Information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means, by other persons who can derive economic value from its disclosure or use.

6. The Financial Information is provided only to PEG Bandwidth's senior management and a restricted list of employees who have a particular need to know the Information.
7. The Financial Information is indicative of PEG Bandwidth's current and future business plans and, therefore, public disclosure of the Financial Information would place PEG Bandwidth at a competitive and economic disadvantage.
8. The Financial Information is the subject of efforts by PEG Bandwidth that are reasonable under the circumstances to maintain its secrecy.
9. PEG Bandwidth has expended a significant amount of time and money to develop the Financial Information. Disclosure of the Financial Information would harm PEG Bandwidth's competitive position in the marketplace.

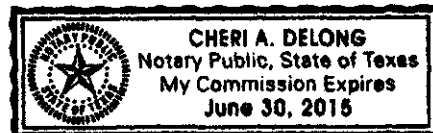
**FURTHER AFFIANT SAYETH NAUGHT.**

  
Richard Ruben, CEO

Sworn to before me and subscribed in my presence this 3<sup>rd</sup> day of April 2013.

  
Notary Public

Cheri A. DeLong



**PEG BANDWIDTH HOLDINGS, LLC AND SUBSIDIARIES**

Consolidated Balance Sheets

December 31, 2012 and 2011

<b>Assets</b>	<b>2012</b>	<b>2011</b>
Current assets:		
Cash	\$ [REDACTED]	[REDACTED]
Restricted cash (notes 2(d) and 6)	[REDACTED]	[REDACTED]
Accounts receivable, net	[REDACTED]	[REDACTED]
Note receivable, related party (including interest)	[REDACTED]	[REDACTED]
Prepaid expenses and other current assets	[REDACTED]	[REDACTED]
Total current assets	[REDACTED]	[REDACTED]
Property and equipment, at cost	[REDACTED]	[REDACTED]
Accumulated depreciation	[REDACTED]	[REDACTED]
Property and equipment, net	[REDACTED]	[REDACTED]
Intangible asset, net	[REDACTED]	[REDACTED]
Prepaid expenses and other long-term assets	[REDACTED]	[REDACTED]
Deferred financing costs, net	[REDACTED]	[REDACTED]
Total assets	\$ [REDACTED]	[REDACTED]
<b>Liabilities and Member's Equity</b>		
Current liabilities:		
Accounts payable	\$ [REDACTED]	[REDACTED]
Accounts payable, related parties	[REDACTED]	[REDACTED]
Accrued compensation and benefits	[REDACTED]	[REDACTED]
Accrued interest and other accrued liabilities	[REDACTED]	[REDACTED]
Current portion of capital lease obligations	[REDACTED]	[REDACTED]
Current portion of deferred revenue	[REDACTED]	[REDACTED]
Total current liabilities	[REDACTED]	[REDACTED]
Capital lease obligations	[REDACTED]	[REDACTED]
Long-term debt (note 6)	[REDACTED]	[REDACTED]
Deferred revenue	[REDACTED]	[REDACTED]
Other long-term liabilities	[REDACTED]	[REDACTED]
Total liabilities	[REDACTED]	[REDACTED]
Commitments and contingencies (note 11)		
Member's equity:		
Member's interest	[REDACTED]	[REDACTED]
Noncontrolling interest	[REDACTED]	[REDACTED]
Total member's equity	[REDACTED]	[REDACTED]
Total liabilities and member's equity	\$ [REDACTED]	[REDACTED]

See accompanying notes to consolidated financial statements.



**PEG BANDWIDTH HOLDINGS, LLC AND SUBSIDIARIES**

Consolidated Statements of Operations  
Years ended December 31, 2012 and 2011

	2012	2011
Service revenues	\$ [REDACTED]	[REDACTED]
Operating expenses:		
Cost of services (excluding depreciation and amortization)	[REDACTED]	[REDACTED]
Selling, general, and administrative	[REDACTED]	[REDACTED]
Depreciation and amortization	[REDACTED]	[REDACTED]
Total operating expense	[REDACTED]	[REDACTED]
Operating loss	[REDACTED]	[REDACTED]
Interest expense	[REDACTED]	[REDACTED]
Interest income, related party	[REDACTED]	[REDACTED]
Other income, net	[REDACTED]	[REDACTED]
Net loss	[REDACTED]	[REDACTED]
Net loss attributable to noncontrolling interest	[REDACTED]	[REDACTED]
Net loss attributable to member	\$ [REDACTED]	[REDACTED]

See accompanying notes to consolidated financial statements.

PEG BANDWIDTH HOLDINGS, LLC AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Net loss	\$ [REDACTED]	[REDACTED]
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	[REDACTED]	[REDACTED]
Amortization of deferred financing costs	[REDACTED]	[REDACTED]
Share-based compensation	[REDACTED]	[REDACTED]
Changes in operating assets and liabilities:		
Accounts receivable, net	[REDACTED]	[REDACTED]
Prepaid expenses and other assets	[REDACTED]	[REDACTED]
Accounts payable	[REDACTED]	[REDACTED]
Accrued liabilities and other	[REDACTED]	[REDACTED]
Deferred revenue	[REDACTED]	[REDACTED]
Net cash provided by (used in) operating activities	[REDACTED]	[REDACTED]
Cash flows from investing activities:		
Purchases of property and equipment	[REDACTED]	[REDACTED]
Purchases of intangible assets	[REDACTED]	[REDACTED]
Loan to related party	[REDACTED]	[REDACTED]
Net cash used in investing activities	[REDACTED]	[REDACTED]
Cash flows from financing activities:		
Borrowings under Credit Facility	[REDACTED]	[REDACTED]
Principal payments under capital lease obligations	[REDACTED]	[REDACTED]
Change in restricted cash	[REDACTED]	[REDACTED]
Debt issuance costs	[REDACTED]	[REDACTED]
Contributed capital	[REDACTED]	[REDACTED]
Cash provided by financing activities	[REDACTED]	[REDACTED]
Net increase (decrease) in cash	[REDACTED]	[REDACTED]
Cash at beginning of period	[REDACTED]	[REDACTED]
Cash at end of period	\$ [REDACTED]	[REDACTED]
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ [REDACTED]	[REDACTED]
Supplemental disclosure of noncash investing and financing activities:		
Property and equipment acquired but not yet paid	\$ [REDACTED]	[REDACTED]
Property and equipment acquired under capital leases	[REDACTED]	[REDACTED]
Borrowing and restricted cash allocated under Loan Agreement (notes 2(d) and 6)	[REDACTED]	[REDACTED]

See accompanying notes to consolidated financial statements.