



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center, Suite 801**  
**Newark, NJ 07102**  
**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF )  
INTELEPEER, INC. FOR APPROVAL TO ) ORDER  
PARTICIPATE IN A FINANCING ARRANGEMENT ) DOCKET NO. TF11030166

Dennis C. Linken, Esq. Stryker, Tams & Dill LLP Two Penn Plaza East, Newark, NJ 07105

BY THE BOARD<sup>1</sup>:

IntelPeer, Inc. ("IntelPeer" or "Petitioner"), filed a petition with the Board on March 29, 2011 ("Petition"), pursuant to N.J.S.A. 48:3-7 and 48:3-9, for approval to participate in a financing arrangement whereby it will incur a long-term debt obligation consisting of an equipment loan in an aggregate principal amount of up to Twelve Million Dollars (\$12,000,000) (the "Loan"). The Loan will be secured by a lien on substantially all of the assets of IntelPeer, subject to certain exceptions to be determined. IntelPeer is organized under the laws of the State of Delaware and was formed on October 31, 2008, with principal offices located at 2855 Campus Drive, Suite 200, San Mateo, CA, 94403.

In New Jersey, IntelPeer is authorized to provide facilities-based and resold local exchange and interexchange services pursuant to authority granted by the Board in Docket No. TE09110897 on March 17, 2010. IntelPeer is also authorized by the Federal Communications Commission to provide international and domestic interstate telecommunications services as a non-dominant carrier.

The promissory note applicable to the Loan is expected to mature on the date that is 40 months after the closing date.<sup>2</sup> The interest rate for the Loan is expected to be competitive with market

<sup>1</sup> Commissioner Nicholas Asselta did not participate in this matter.

<sup>2</sup> Based on market conditions, the term of the financing arrangements may be set to mature on the date that is 364 days after the closing date, provided that upon receipt of the requisite regulatory approvals the maturity date for the financing arrangements will be extended to an expected term of 40 months from the date of closing.

conditions. This financing arrangement is expected to be secured by a lien on substantially all of the assets of IntelPeer. IntelPeer intends to use the proceeds from the promissory note to purchase new equipment and facilities to provide telecommunications services in New Jersey and other states where IntelPeer is authorized to provide services.

The Petitioner states that approval of the financing arrangements will serve the public interest in promoting competition among telecommunications carriers by providing IntelPeer with the opportunity to strengthen its competitive position through access to greater financial resources. Furthermore, by increasing the breadth and scope of telecommunications services made available through an increased ability to expand IntelPeer's operations, greater access to capital will also strengthen IntelPeer's ability to bring competitive telecommunications services to consumers in the State of New Jersey. The financing transaction will be transparent to customers and will not disrupt service, or cause customer confusion or inconvenience.

The Division of Rate Counsel has reviewed this matter and, by letter dated April 6, 2011, recommended that the Board approve this Petition.

While there is no guarantee in this regard, especially given the competitive environment in which Petitioner operates, the Board is satisfied that the transactions will not have an adverse impact on Petitioner's operations in New Jersey.

Petitioner, in accordance with N.J.A.C. 14:1-12 et seq., filed a request for confidential treatment of certain unaudited and *pro forma* financial statements, customer information, terms of the financing arrangements and a schedule of outstanding debt submitted to the Board's Staff in conjunction with its review of this matter.

After review, the Board FINDS that the proposed transaction is consistent with the applicable law and the public interest. The Board therefore approves the purposes thereof. The Board HEREBY AUTHORIZES Petitioner to participate in the financing arrangements described herein. This Order is issued subject to the following provisions:

1. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation or any other matters affecting the Petitioner.
2. Petitioner shall notify the Board, within five (5) business days, of any material changes in the financing arrangements and shall provide complete details of such transactions including any anticipated effects upon service in New Jersey.
3. Petitioner shall notify the Board of any material default on the terms of the financing arrangement within five (5) business days of such occurrence.
4. Notwithstanding anything to the contrary in the documents executed pursuant to the financing transactions or other supporting documents, a default or assignment under such agreement shall not constitute automatic transfer of Petitioner's assets. Board approval must be sought pursuant to N.J.S.A. 48:1-1 et seq. where applicable.

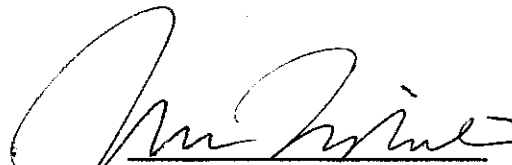
5. This order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by the Petitioner.

DATED: 5/16/11

BOARD OF PUBLIC UTILITIES  
BY:

  
LEE A. SOLOMON  
PRESIDENT

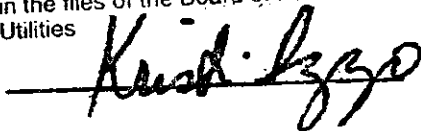
  
JEANNE M. FOX  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



**Service List**  
**In the Matter of Verified Petition of IntelPeer, Inc.**  
**for Approval to Participate in a Financing Arrangement**  
**Docket No. TF11030166**

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