



Agenda Date: 7/19/13
Agenda Item: IVC

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF)
INTELEPEER, INC. FOR APPROVAL TO ENTER INTO) ORDER
CERTAIN FINANCING ARRANGEMENTS)
) DOCKET NO. TF13050420

Parties of Record:

Dennis C. Linken, Esq., Scarinci & Hollenbeck, LLC, for Petitioner
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

IntelePeer, Inc. ("IntelePeer" or "Petitioner"), filed a petition with the Board on or about May 20, 2013 ("Petition"), pursuant to N.J.S.A. 48:3-7 and 48:3-9, for approval to enter into certain financing arrangements. Specifically, IntelePeer intends to (i) enter into a term loan arrangement of up to \$20 million (the "Term Loan"), and (ii) enter into a revolving credit facility of up to \$15 million (the "Revolver"). IntelePeer 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, IntelePeer 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. IntelePeer is also authorized by the Federal Communications Commission to provide international and domestic interstate telecommunications services as a non-dominant carrier.

The Term Loan will be used to finance capital expenditures, refinance IntelePeer's existing financing arrangements, and for other permissible corporate purposes. The Term Loan is expected to have a maturity of up to 36 months. The interest rate applicable to the Term Loan is expected to be established at closing based on market conditions, but may be up to 12%. The Revolver is expected to have a maturity of 36 months, and have an interest rate equal to the 3-Month LIBOR plus 3.5%.

These financing arrangements are expected to be secured by liens on IntelePeer's assets.

The Petitioner states that approval of the financing arrangements will serve the public interest in promoting competition among telecommunications carriers by providing IntelePeer with the opportunity to strengthen its competitive position through access to greater financial resources and to the capital necessary to provide competitive services. Petitioner also states that, the financing arrangements will enable IntelePeer to bring services to new markets and allow more consumers to benefit from its competitive services. Furthermore, by increasing the breadth and scope of telecommunications services made available through an increased ability to expand IntelePeer's operations, greater access to capital will also strengthen IntelePeer's ability to bring competitive telecommunications services to consumers in the State of New Jersey. Petitioner emphasizes that participation in the financing arrangement will not result in a change in IntelePeer's management or in its day-to-day operations. Likewise, Petitioner states that 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 June 19, 2013, has no objection to the approval of this Petition.

The Staff's review indicates that the proposed financing transactions are in accordance with law and that the use of the proceeds associated therewith is appropriate. 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.


After review, the Board **FINDS** that the proposed transactions are 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 arrangement 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 in the terms of the financing arrangements 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 documents 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.


6. This Order shall become effective upon the earlier of (a) five (5) days after the date hereof, or (b) the receipt by the Board of a Certification by or on behalf of Petitioner that (i) it has received a copy of this Order and that (ii) a copy of this Order has been hand-delivered to Rate Counsel or delivered to Rate Counsel via overnight delivery service.


DATED: 17/19/13

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

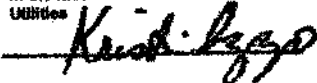

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
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



IN THE MATTER OF THE VERIFIED PETITION OF INTELEPEER, INC. FOR APPROVAL TO
ENTER INTO CERTAIN FINANCING ARRANGEMENTS

Docket No. TF13050420

SERVICE LIST

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