



Agenda Date: 8/4/10
Agenda Item: IVF

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF)
INTELEPEER, INC. FOR APPROVAL TO)
PARTICIPATE IN A FINANCING ARRANGEMENT)

ORDER

)
)
)
)
) DOCKET NO. TF10050339

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

BY THE BOARD:

IntelPeer, Inc. ("IntelPeer" or "Petitioner"), filed a petition with the Board of Public Utilities ("Board") on or about May 13, 2010 ("Petition"), pursuant to N.J.S.A. 48:3-7 and 48:3-9, for approval to participate in a financing arrangement whereby IntelPeer will incur long-term debt obligations consisting of an equipment loan in an aggregate principal amount of up to Ten Million Dollars (\$10,000,000), and a revolving credit facility in an aggregate principal amount of up to Ten Million Dollars (\$10,000,000), both of which will be secured by a lien on substantially all of the assets of the Petitioner. IntelPeer, Inc. 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.

Petitioner and its subsidiaries intend to participate in new company-wide financing arrangements to be obtained in an aggregate amount of up to \$20 million, which includes a promissory note in an aggregate principal amount of up to \$10,000,000, and a revolving credit facility in an aggregate principal amount of up to \$10,000,000.

The promissory note will mature within three years from the closing date, and the maturity date for the revolving credit facility will within two years from the closing date. The interest rate for the promissory note and the revolving credit facility will be based on the prime rate at the time of closing.

IntelePeer will use the proceeds from the promissory note to purchase new equipment and facilities to provide telecommunications services in New Jersey and other states where IntelePeer is authorized to provide services. The proceeds from the revolving credit facility will be used for working capital, capital expenditures, and other permissible corporate purposes.

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. 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. The financing transactions 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 July 15, 2010 recommended that the Board approve this Petition.

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.

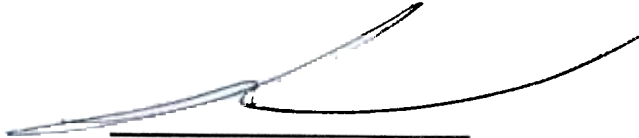
After review, the Board FINDS that the proposed transactions are consistent with the applicable law and the public interest. The Board therefore, approves the purposes thereof. The Board HEREBY AUTHORIZES Petitioner to participate in the financing arrangements described herein. This Order is issued subject 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 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 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 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: 8/4/10

BOARD OF PUBLIC UTILITIES
BY:



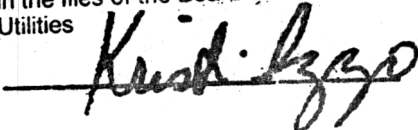
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COMMISSIONER
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COMMISSIONER

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 The Verified Petition Of IntelePeer, Inc. For Approval To Participate In A
Financing Arrangement**

Docket No. TF10050339

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