



Agenda Date: 8/04/10
Agenda Item: IVB

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

TELECOMMUNICATIONS

IN THE MATTER OF THE JOINT PETITION OF
ALEC, INC., SINGLEPIPE COMMUNICATIONS, INC.
AND INTEGRATED BROADBAND SERVICES, LLC)
FOR APPROVAL OF A TRANSFER OF CONTROL)

ORDER OF APPROVAL

DOCKET NO. TM10060403

James C. Meyer, Esq., Riker, Danzig, Scherer, Hyland, & Perretti LLP, Morristown, New Jersey,
for SinglePipe Communications, Inc. and ALEC, Inc. d/b/a ALEC of Kentucky

Todd Slamowitz, Esq., Lukas, Nace, Gutierrez & Sachs, LLP, McLean, Virginia for Integrated
BroadBand Services

BY THE BOARD:

On June 4, 2010, ALEC, Inc. ("ALEC"), its direct parent SinglePipe Communications, Inc. ("SinglePipe") and Integrated BroadBand Services ("IBBS"), (together "Petitioners"), pursuant to N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14, filed with the New Jersey Board of Public Utilities ("Board") a petition requesting approval to consummate a transaction whereby control of ALEC will be transferred to IBBS through IBBS' acquisition of ALEC's direct parent, SinglePipe. Upon consummation of the proposed transaction, ALEC will continue to operate in New Jersey and will continue to provide services to its existing customers pursuant to the existing rates, terms and conditions.

BACKGROUND

ALEC is a corporation with its principal place of business in Lexington, Kentucky and is a wholly-owned subsidiary of SinglePipe Communications, Inc. ALEC is authorized to provide local exchange and interexchange telecommunications services in New Jersey. See, In the Matter the Petition of ALEC Inc. d/b/a ALEC of Kentucky, Inc. for Authority to Provide Local Exchange and Interexchange Telecommunications Services throughout the State of New Jersey, Docket No. TE09090761, dated November 10, 2009. Currently, ALEC has one business customer in New Jersey. ALEC's direct parent SinglePipe is a corporation with its principal place of business located in Lexington, Kentucky. SinglePipe is a provider of voice over IP-based communications solutions that partners with cable companies and channel partners to deliver digital voice services to residential and business customers by way of broadband connections.

IBBS is a limited liability company with its principal place of business in Kennesaw, Georgia. IBBS provides operational support software and back office services deployed by cable broadband operators internationally. Its majority shareholder is Pamlico Capital ("Pamlico") (formerly Wachovia Capital Partners). IBBS is not a regulated telecommunications entity in New Jersey or any other state, and has no affiliates or subsidiaries that are regulated telecommunications entities. According to the petition, Pamlico has been the principal investing arm of Wachovia Corporation, a division of Wells Fargo Corporation.

DISCUSSION

Pursuant to a Letter of Intent to Purchase signed on June 4, 2010, IBBS and SinglePipe contemplate a transaction in which IBBS will acquire 100% of the equity interests in SinglePipe, while SinglePipe shareholders will receive membership interests in IBBS Holdings, LLC, IBBS's parent company. As a result of the transaction, SinglePipe will become a direct, wholly owned subsidiary of IBBS, and ALEC an indirect subsidiary of IBBS. ALEC will continue to operate in New Jersey offering service to its customers at the same rates, terms and conditions in New Jersey as it currently does. The transaction will not involve a change in the entity providing service in New Jersey and ALEC's current management team will remain in place. Petitioner therefore asserts that the transaction will be transparent to existing and any prospective customers, and the general public in New Jersey.

Petitioners aver that the proposed transaction is in the public interest, and that it will increase competition in the New Jersey telecommunications market by reinforcing the status of ALEC as a viable competitor in New Jersey, to the benefit of New Jersey's consumers and the State's telecommunications marketplace. Petitioners further state that IBBS' acquisition of SinglePipe and its ALEC affiliate will enhance IBBS' business strategy and position in the market, in addition to strengthening ALEC's financial and operational standing in New Jersey. ALEC requests that in light of the fact that the transaction will be transparent to ALEC's single business customer, the Board deem any notice requirement to be unnecessary.


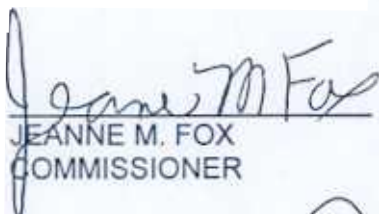
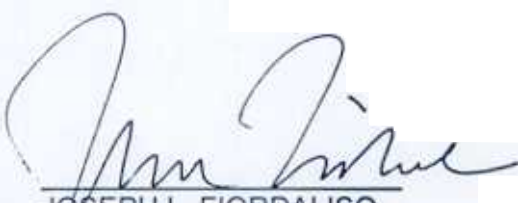
FINDINGS AND CONCLUSIONS

After careful review of this matter, the Board FINDS that the transaction will have no negative impact on competition, the rates of its current customer or on employees. The Board also FINDS that the transaction will have no negative impact on the provision of safe, adequate and proper service. Moreover, the Board FINDS that a positive benefit may be expected from ALEC's access to additional resources, which should allow them to better compete in the marketplace. Additionally, the Board is satisfied that the transaction will not have an adverse impact on Petitioner's operations in New Jersey. Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, FINDS that the transaction is in accordance with the law and in the public interest.

Accordingly, the Board HEREBY ORDERS that the Petitioners shall notify the Board of the closing of the proposed transactions within 7 days of the consummation of the Transaction. The Board FURTHER ORDERS that this approval will expire if the Transaction is not fully consummated on or before August 31, 2011.

DATED: 8/4/10

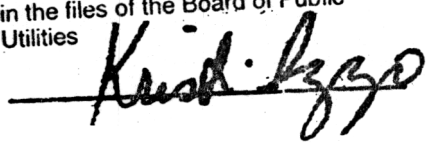
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KRISTI IZZO
SECRETARY

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

Docket No. TM10060403

James C. Meyer
Riker, Danzig, Scherer, Hyland & Perretti LLP
One Speedwell Avenue
P.O. Box 1981
Morristown, NJ 07962
jmeyer@riker.com

Michael C. Sloan
Brian J. Hurh
Davis Wright Tremaine LLP, NW
1919 Pennsylvania Avenue
Suite 800
Washington, DC 20006
michaelsloan@dwt.com
brianhurh@dwt.com

Todd Slamowitz
Lukas, Nace, Gutierrez & Sachs, LLP
8300 Greensboro Drive
Suite 1200
McLean, VA 22102
tslamowitz@fcclaw.com

Stephanie A. Brand
Director, Division of Rate Counsel
Department of the Public Advocate
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101
niratepayer@advocate.state.nj.us

James F. Murphy
Rocco Della Serra
Board of Public Utilities
Division of Telecommunications
Two Gateway Center
Newark, NJ 07102
james.murphy@bpu.state.nj.us
rocco.della-serra@bpu.state.nj.us

Jessica Campbell
Department of Law & Public Safety
Division of Law
124 Halsey Street – 5th Floor
P.O. Box 45029
Newark, New Jersey 07102
jessica.campbell@dol.lps.state.nj.us