



Agenda Date: 7/14/11  
Agenda Item: IVB

**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 ) ORDER  
INTELEPEER, INC. FOR APPROVAL OF A STOCK )  
ISSUANCE ) DOCKET NO. TF11050298

**Dennis C. Linken Esq. Stryker, Tams & Dill LLP on behalf of IntelPeer Inc**  
**Stefanie A. Brand, Esq. Director Division of Rate Counsel**  
**Ronald W. Del Sesto, Jr. Bingham McCutchen LLP on behalf of IntelPeer Inc**  
**Andre Simone IntelPeer, Inc.**

BY THE BOARD:

IntelPeer, Inc. ("IntelPeer", "Petitioner" or the "Company"), filed a petition with the Board on or about May 17, 2011 ("Petition"), pursuant to N.J.S.A. 48:3-7 and 48:3-9, for approval of a stock issuance whereby IntelPeer intends to issue shares of common stock in an initial public offering ("IPO") in an aggregate amount of up to \$100 Million. The issued stock, in aggregate (and other stock sold by existing stockholders), will constitute only a minority of IntelPeer's total issued common shares and therefore the proposed transactions will not constitute a majority transfer of control of the Company. IntelPeer will incur no debt obligations with respect to the proposed transaction, nor will the transaction result in a lien on IntelPeer's assets. 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.

IntelPeer proposes to issue shares of common stock in an IPO estimated at a value of up to \$100 Million. In addition, a number of existing stockholders identified in the Company's S-1 Registration Statement intend to offer a portion of their shares of IntelPeer's common stock. Further, at any time within 30 days from the date of the IPO the underwriters will have an option to purchase additional shares of IntelPeer's common stock and additional shares of common stock from the selling stockholders at the public offering price, less underwriting discounts and commissions. The proceeds of the stock issuance may be used for working capital and other lawful general corporate purposes, and the Company may use a portion of the net proceeds to

acquire and invest in complementary products, technologies or businesses. The Company intends to apply for listing of its common stock on the New York Stock Exchange or Nasdaq Global Market under the symbol "PEER." Prior to this transaction, there has been no public market for IntelPeer's stock.

The Petitioner states that the stock issuance will not result in a change in IntelPeer's management or in its day-to-day operations in New Jersey; nor will it adversely affect IntelPeer's operations in New Jersey. In aggregate, the issued and sold stock will constitute only a minority of IntelPeer's total issued common shares and will not result in a majority transfer of control of the company; nor is it anticipated that any new shareholder will own more than ten percent (10%) of IntelPeer's common stock following completion of the transactions. The transaction will not result in any incurrence of debt by IntelPeer, or an encumbrance on IntelPeer's assets beyond the general liquidation rights held by common stock shareholders. Accordingly, and to the extent required, IntelPeer requests that the Board approve the participation of IntelPeer in the proposed stock issuance arrangement described herein, and for any other such authority as may be deemed necessary by the Board for the Company to undertake the proposed stock issuance.

The Petitioner states that approval of the stock issuance 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. The proposed transaction will strengthen IntelPeer's competitive position, create a public market for IntelPeer's common stock, facilitate IntelPeer's future access to capital markets, and ultimately enable IntelPeer 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 IntelPeer's operations, greater access to capital will also strengthen IntelPeer's ability to bring competitive telecommunications services to consumers in New Jersey. This transaction will be transparent to consumers and consumers will benefit from the continued receipt of quality telecommunications services that are priced competitively.

The Division of Rate Counsel has reviewed this matter and, by letter dated June 15, 2011, stated that it does not object to the Board's approval of this petition.

The Staff's review indicates that the proposed stock issuance is 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.

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, terms of the stock issuance and other confidential information 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 issue the stock 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 stock issuance 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 stock issuance within five (5) business days of such occurrence.
4. Notwithstanding anything to the contrary in the documents executed pursuant to the stock issuance 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.
6. The authority granted in this Order shall become null and void and of no effect with respect to any portion which is not exercised on or before August 1, 2013.

DATED: 7/14/11

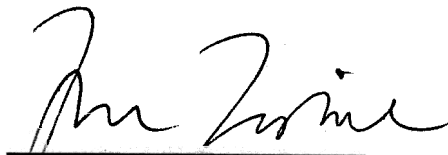
BOARD OF PUBLIC UTILITIES  
BY:



LEE A. SOLOMON  
PRESIDENT



JEANNE M. FOX  
COMMISSIONER

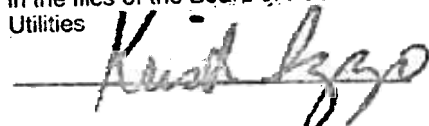


JOSEPH L. FIORDALISO  
COMMISSIONER



NICHOLAS ASSELTA  
COMMISSIONER

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



ATTEST:



KRISTI IZZO  
SECRETARY

**Service List  
In the Matter of Verified Petition of IntelePeer, Inc.  
for Approval for a Stock Issuance  
Docket No. TF11050298**

Mark Beyer  
Chief Economist  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102

Alex Moreau, Esq.  
Division of Law  
124 Halsey Street  
P. O. Box 45029  
Newark, NJ 07101

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

Robert Wojciak  
Office of the Economist  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102

Stefanie A. Brand, Esq.  
Director  
Division of Rate Counsel  
31 Clinton Street  
11th Floor  
P.O. Box 46005  
Newark, NJ 07101

Ronald W. Del Sesto, Jr.  
Nguyen T. Vu  
Bingham McCutchen LLP  
2020 K Street, N.W.  
Washington, D.C. 20006

Anthony Centrella, Director  
Div. of Telecommunications  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102

Jose Rivera-Benitez  
Division of Rate Counsel  
31 Clinton Street  
11th Floor  
P.O. Box 46005  
Newark, NJ 07101

Andre Simone  
IntelePeer, Inc.  
2855 Campus Drive  
Suite 200  
San Mateo Ca. 94403