



Agenda Date: 12/14/11
Agenda Item: IVB

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 JOINT PETITION)
OF INTELEPEER, INC. FOR AUTHORITY TO)
COMPLETE CERTAIN PRO FORMA INTRA-)
CORPORATE TRANSACTIONS)

ORDER

DOCKET NO. TM11100640

Parties of Record:

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

BY THE BOARD:

On October 11, 2011, IntelPeer, Inc. ("IntelPeer" or Petitioner") by their counsel, and pursuant to N.J.S.A. 48:2-51.1 and 48:3-7, and the regulations of the New Jersey Board of Public Utilities ("Board"), filed a petition with the Board requesting approval for IntelPeer to undertake one or more intra-corporate transactions whereby the Petitioner intends to (1) insert one or more holding companies between IntelPeer and its current direct shareholders; (2) move IntelPeer's subsidiary, IntelPeer Virginia, Inc., under the new holding company, making IntelPeer Virginia, Inc. an affiliate of IntelPeer Inc., rather than a subsidiary of IntelPeer, Inc.; and (3) assign certain assets into one or more affiliates of IntelPeer. Upon consummation of the transfer, IntelPeer will continue to offer services to current customers at existing terms, rates and conditions.

BACKGROUND

IntelPeer, Inc. is organized under the laws of the state of Delaware with principal offices located in San Mateo, California. According to the petition, IntelPeer provides fully managed, hosted, on demand peering infrastructure to directly exchange voice traffic over internet protocol or legacy time division multiplexing networks between any application and any telephone device. IntelPeer was granted authority to provide local exchange and interexchange telecommunications services in New Jersey on March 17, 2010. See Order,

Petition of IntelPeer Inc. for Authority to Provide Local Exchange and Interexchange Telecommunications Services Throughout the State of New Jersey, Docket No. TE09110897. Additional information and qualifications of IntelPeer can be found in that Order. Petitioner notes that it has no employees in New Jersey.

DISCUSSION

According to the petition, IntelPeer proposes to complete a series of pro forma intra-corporate transactions with the first being that one or more holding companies will be inserted between IntelPeer and its current direct shareholders. Secondly, IntelPeer may move its subsidiary, IntelPeer Virginia, Inc., under the new holding company, making IntelPeer Virginia Inc. an affiliate of IntelPeer Inc. Finally, IntelPeer proposes to assign the legal title of certain assets to one or more affiliates.

Petitioner states that the insertion of the holding company(ies) in the ownership chain will not affect the ultimate ownership of IntelPeer. The current ultimate owners of IntelPeer will remain the same following the transactions and as such will not affect the day-to-day operations of IntelPeer. Petitioner also points out that the transfer of assets will not result in the transfer of customers and will be undertaken in a manner that will be seamless to consumers as operational control to operate those assets will remain with IntelPeer and IntelPeer will continue to operate those assets through arrangements with assignee(s) for the continued provision of services to its customers.

The petition asserts that the proposed transactions are in the public interest because it will better enable the Petitioner to undertake equity and debt financing transactions in the future, and will enable the company to allocate assets into specialized segments to better focus its operations. The petition states that there will be no change in the provider's service, billing, personnel or contact information.

FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, the Board concludes that there will be no negative impact on rates or service quality since IntelPeer's New Jersey customers will continue to receive the same services from the same entities at the same rates and under the same terms and conditions. Moreover, the Board is satisfied that positive benefits will flow to customers based on the record presented by Petitioner as the transactions will strengthen IntelPeer's competitive posture in the telecommunications market due to its access to additional resources.

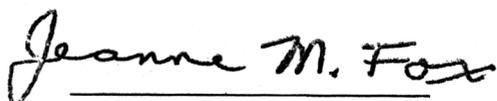
The Board HEREBY ORDERS that Petitioner shall notify the Board of the closing of the proposed transactions within ten (10) days of consummation. The Board FURTHER ORDERS that this approval will expire if the transactions are not fully consummated on or before December 31, 2012.

DATED: 12/15/11

BOARD OF PUBLIC UTILITIES
BY:



LEE A. SOLOMON
PRESIDENT



JEANNE M. FOX
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER



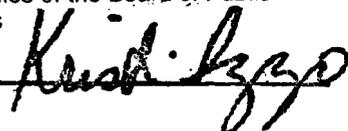
NICHOLAS ASSELTA
COMMISSIONER

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



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AUTHORITY TO COMPLETE CERTAIN PRO FORMA INTRA-CORPORATE TRANSACTIONS
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