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BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman

GARY PIERCE
Commissioner

BRENDA BURNS
Commissioner

SUSAN BITTER SMITH
Commissioner

BOB BURNS
Commissioner

Arizona Corporation Commission

DOCKETED

MAY 17 2013

DOCKETED BY NR

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2013 MAY 17 P 4: 29

RECEIVED

IN THE MATTER OF THE
APPLICATION OF INTELEPEER, INC.
FOR AN ORDER AUTHORIZING THE
ENCUMBRANCE OF ITS ASSETS

Docket No. T-20695A-13-0141

APPLICATION FOR
ENCUMBRANCE ORDER
(Expedited Approval Requested)

APPLICATION

IntelPeer, Inc. ("IntelPeer" or "Applicant"), through its undersigned counsel, and pursuant to Ariz. Rev. Stat. § 40-285 and any other regulations or statutes deemed applicable, hereby requests, to the extent necessary,¹ Arizona Corporation Commission ("Commission") approval, or such authority as may be necessary or required, to enable the Applicant to participate in certain new financing arrangements as further described herein. In addition to borrowing under these financing arrangements,² the Applicant intends to guarantee these obligations and to grant a security interest in its assets to secure the financing arrangements.³

¹ Although Applicant is seeking any necessary approval for it to encumber their assets in Arizona in connection with the financing arrangement, Applicant do so without prejudice to their right to assert that such transactions are beyond the jurisdiction of the Commission.

² As a foreign public service corporation whose physical facilities are also used in providing communications service in interstate commerce, the Applicant is exempt from ARS § 40-301 et seq. See A.R.S. § 40-301.D.

³ Applicant is not Class A Utility or affiliated with any Class A Utilities.

1 Applicant requests that the Commission retain this matter and expeditiously approve
2 IntelPeer's participation in the financing arrangements described herein. Applicant requests
3 expedited approval of this Application in order to timely consummate the proposed financing
4 arrangements and meet important business and financial objectives.

5 In support of this Application, IntelPeer states:

6 **A. I. DESCRIPTION OF THE APPLICANT**

7 **A. IntelPeer, Inc.**

8 IntelPeer, Inc. is organized under the laws of the State of Delaware and formed on
9 October 31, 2008, with principal offices located at 2855 Campus Drive, Suite 200, San
10 Mateo, CA, 94403. IntelPeer provides telecommunications services using fully managed,
11 hosted, on-demand peering infrastructure to directly exchange voice traffic over IP or
12 legacy TDM networks between any application and any telephony device. In Arizona,
13 IntelPeer is authorized to provide telecommunications services pursuant to authority
14 granted by the Commission in Decision 73249 in Docket No. T-20695A-09-0387 on June
15 26, 2012. IntelPeer is also authorized by the Federal Communications Commission
16 ("FCC") to provide international and domestic interstate telecommunications services as a
17 non-dominant carrier.

18 **II. DESIGNATED CONTACTS**

19 Inquiries or copies of any correspondence, orders, or other materials pertaining to
20 this Application should be directed to:

21 Michael T. Hallam
22 Lewis and Roca LLP
23 40 North Central Avenue
24 Phoenix, AZ 85004-4429
602-262-5340 (Tel)
602-734-3886 (Fax)
mhallam@lrlaw.com

25 with a copy to:

26 Kristin Manwarren
Corporate Counsel
Legal & Regulatory Compliance

1 IntelPeer, Inc.
2 2300 15th Street, Suite 100
3 Denver, CO 80202
4 Tel: (720) 889-9568
5 Fax: (720) 889-9595
6 kmanwarren@intelepeer.com

7 **III. DESCRIPTION OF FINANCING ARRANGEMENTS**

8 IntelPeer intends to enter into two financing arrangements:

- 9
- 10 • First, IntelPeer requests authority to enter into a term loan arrangement of
11 up to \$20 million (the "Term Loan"). The Term Loan will be used to
12 finance capital expenditures, refinance the company's existing financing
13 arrangements, and other permissible corporate purposes. The Term Loan is
14 expected to have a maturity of up to 36 months. The interest rate applicable
15 to the Term Loan is expected to be established at closing based on market
16 conditions, but may be up to 12%.
 - 17 • Second, IntelPeer requests authority to enter into a revolving credit facility
18 of up to \$15 million ("Revolver"). The Revolver is expected to have a
19 maturity of 36 months, and have an interest rate equal to the 3-Month
20 LIBOR plus 3.5%.

21 These financing arrangements are expected to be secured by liens on IntelPeer's
22 assets. Applicant emphasizes that participation in the financing arrangements will not
23 result in a change in IntelPeer's management or in its day-to-day operations. The
24 financing arrangements will enable IntelPeer to bring services to new markets and allow
25 more consumers to benefit from its competitive services. Accordingly, Applicant requests
26 that the Commission approve the participation of IntelPeer in the financial arrangements
described herein.

27 **IV. PUBLIC INTEREST STATEMENT**

28 Approval of the proposed financing arrangements described herein will serve the
29 public interest in promoting competition among telecommunications carriers by providing

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The Arizona Corporation Commission
Utilities Division – Docket Control
1200 W. Washington Street
Phoenix, Arizona 85007

Copy of the foregoing hand-delivered
this 17th day of May, 2013, to:

Lyn Farmer
Chief Administrative Law Judge
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Janice Alward, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Steve Olea
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007



STATE OF CALIFORNIA
COUNTY OF SAN MATEO

§
§ SS:
§

VERIFICATION

I, Todd Smith, state that I am Vice President, Corporate Controller of IntelPeer, Inc. ("IntelPeer"); that I am authorized to make this Verification on behalf of IntelPeer; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Todd Smith
Vice President, Corporate Controller
IntelPeer, Inc.

Sworn and subscribed before me this 15th day of May, 2013.



Notary Public

My commission expires: May 25, 2015

