

ORIGINAL

NEW APPLICATION

**MILLER
ISAR** INC.
TRUSTED ADVISORS



0000166679

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2015 NOV -9 P 2: 24

AZ CORP COMMISSION
DOCKET CONTROL

Via Overnight Delivery

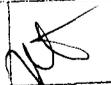
November 6, 2015

Docket Control Center
Arizona Corporation Commission
1200 W. Arizona Street, Room 108
Phoenix, Arizona 85007-2996

Arizona Corporation Commission

DOCKETED

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DOCKETED BY 

RE: Notification Regarding the Acquisition by X5 OpCo LLC of Novatel Ltd., Inc.
Assets

T-20946A-15-0385

T-20601A-15-0385

To Whom It May Concern:

NovaTel Ltd., Inc. ("NovaTel") and X5 OpCo LLC ("X5 OpCo") (jointly "the Companies"), hereby notify the Arizona Corporation Commission ("Commission") that X5 OpCo is acquiring certain Arizona assets, including subscribers, of NovaTel, through a mutually negotiated Asset Purchase Agreement ("Transaction").¹ As a result of the Transaction, NovaTel Arizona commercial interexchange subscribers² and other assets will be transferred to X5 OpCo. NovaTel will cease to provide telecommunications services and requests cancellation of its registration to provide telecommunications services in Arizona following the transfer

I. Description of the Parties.

X5 OpCo LLC. (Transferee) X5 OpCo is a limited liability company formed under the laws of the State of Delaware in 2014. X5 is a wholly owned subsidiary of X5 Holdings LLC ("X5 Holdings") which, in turn, is majority owned and controlled by NewSpring Holdings LLC ("NewSpring"). NewSpring is a limited liability company organized under the laws of the State of Delaware. NewSpring is a private equity fund that seeks to partner with successful business owners and management teams to grow profitable businesses. X5 OpCo maintains authority to provide domestic interstate interexchange and international telecommunications. X5 OpCo has

¹ Pursuant to A.R.S. §40-285, this Transaction does not require Commission approval as Novatel's retail telecommunications services are classified as competitive. This courtesy notice is provided, accordingly.

² NovaTel does not provide local exchange service and does not service residential subscribers.

separately applied for a certificate of public convenience and necessity to provide (interexchange) telecommunications services in the State of Arizona. X5 OpCo acknowledges that in Arizona, the Transaction may not be completed until the Commission grants the Company's pending application.

NovaTel Ltd., Inc. (Transferor) NovaTel is a corporation organized under the laws of the State of Texas in 2007 when converted from a limited partnership originally formed in 2000. NovaTel is a provider of regulated time division multiplex interexchange voice, network services including unregulated Ethernet, unregulated MPLS/VPN, and regulated dedicated, non-switched, private line services. NovaTel provides intrastate, interstate, and international non-facilities-based switched and dedicated interexchange telecommunications services. NovaTel is authorized to provide telecommunications services in Arizona under Docket No. T-20601A-08-0351, Decision No. 71911.

II. Description of the Transaction.

On October 13, 2015, NovaTel and X5 OpCo entered into an Asset Purchase Agreement ("Agreement") whereby NovaTel agreed to sell, and X5 OpCo agreed to acquire, certain NovaTel assets including interexchange subscribers located in Arizona and other jurisdictions served by the NovaTel. Under the terms of the Agreement, X5 OpCo is to provide transferred NovaTel subscribers the same services under the same rates, terms and conditions provided by NovaTel. The Transaction becomes effective on or about December 15, 2015, or following regulatory approvals where required. NovaTel has made an affirmative business decision to cease the provision of telecommunications services following the consummation of the Agreement and requisite regulatory approvals. NovaTel requests that its current Arizona certificate of public convenience and necessity be cancelled at that time.

III. Customer Notification.

In accordance with the terms of their service contracts and the rules and procedures of the Federal Communications Commission ("FCC") and applicable state(s) subscribers have been properly notified of the Transaction and the change in their telecommunications provider from NovaTel to X5 OpCo. NovaTel and X5 OpCo are providing customers with more than 30 days advanced notice of the transfer pursuant to Section 64.1120(e) of the FCC's rules, 47 C.F.R. §64.1120(e). Notification of the transaction has also been provided to the FCC pursuant to 47 C.F.R. §64.1120(e). A copy of the draft notification letter is attached as Attachment 1.

IV. Designated Contacts

Questions or ongoing correspondence, orders, or other Commission communications should continue to be directed to the following individuals:

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For NovaTel Ltd., Inc.:

Company Contact:

Alan W. Saltzman
Chief Financial Officer
NovaTel Ltd., Inc.
11550 IH-10 West, Suite 110
San Antonio, TX 78230
Telephone: 210.698.8005
Email: asaltzman@NovaTelnetworks.com

Regulatory Contact

Judith A. Riley, Esq.
President
Telecom Professionals, Inc.
12316 Hidden Forest Boulevard
Oklahoma City, OK 73172-0128
Telephone: 405.755.8177 Extension 100
E-mail: jriley@telecompliance.net

For X5 OpCo LLC:

Company Contact:

Barbara Meyer
Controller
X5 OpCo LLC
1008 Western Ave.
Suite 400
Seattle, WA 98104
Telephone: 206.973.5865
E-mail: regulatory@x5solutions.com

Regulatory Contact

Andrew Isar
Miller Isar, Inc.
4423 Point Fosdick Drive NW
Suite 306
Gig Harbor, WA 98335
Telephone: 253.851.6700
Email: aisar@millerisar.com

V. Public Interest Considerations.

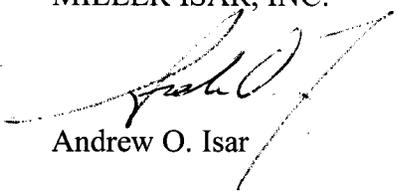
The proposed assignment of NovaTel's assets to X5 OpCo serves the public interest and will cause no offsetting public interest harms. The Transaction will provide additional capitalization needed to expand services and operations, and enhance the company's ability to provide competitive telecommunications services to the public. Further, broad management experience will enable X5 OpCo to explore new innovative service opportunities and provide added value to subscribers. The proposed assignment does not raise any competitive concerns. The only impact of the proposed transaction is that NovaTel's business will obtain access to increased resources that will result in a stronger, more capable and robust company, capable of pursuing additional opportunities.

The Transaction will be entirely transparent to subscribers and customers. The Transaction will not result in any immediate change in service rates, terms, and conditions, and will not result in the discontinuance, reduction, loss, or impairment of service to subscribers or customers.

Thank you for your attention to this matter. Questions may be directed to the undersigned.

Respectfully submitted,

MILLER ISAR, INC.



Andrew O. Isar

Regulatory Consultants to
X5 OpCo LLC

ATTACHMENT 1

Notice of Carrier Change

October 21, 2015

Dear Valued NovaTel Ltd., Inc. Customer:

X5 OpCo LLC recently announced an agreement with NovaTel Ltd, Inc. to acquire certain assets of NovaTel Ltd, Inc., subject to regulatory approval, including your account and services. Once the regulatory approval finalizes your services will be provided by X5 OpCo LLC but under your current contract terms with NovaTel Ltd, Inc.

Please rest assured that the transaction will not affect the services you currently receive from NovaTel Ltd, Inc. You will continue to receive your services with the same rates, features, terms, and conditions as you currently enjoy, while also gaining access to a full range of additional X5 OpCo LLC telecommunications services.

X5 OpCo LLC will automatically become your telecommunications provider upon final close and regulatory approval on or after December 15th 2015. This change will be completely seamless for you and you do not need to do anything in order for this to occur. X5 OpCo LLC will take care of all the details and will be responsible for any change fees associated with transferring your account. However, it is important that you be aware of the following information. You are responsible for continued payment of your monthly recurring and usage charges throughout this period. Unless you have made arrangements on your own to switch your provider prior to the date that your services transfer to X5 OpCo LLC, your account will be automatically transferred and your services contract assigned to X5 OpCo LLC.

All preferred carrier freezes will be lifted for purposes of completing the transfer of your services to X5 OpCo LLC. X5 OpCo LLC will reinstate any preferred carrier freezes you may have had with NovaTel Ltd, Inc. if you currently receive these telephone services from NovaTel Ltd, Inc. In the event you currently receive local services from an alternative provider than NovaTel Ltd, Inc., you will need to contact your existing or new local service provider to reinstate your preferred carrier freeze. In addition any deposits or prepayments you may have paid with NovaTel Ltd, Inc will be transferred with your account to X5 OpCo LLC. Subject to the terms of your current contract, you have the option to select another provider. We value your business and we hope that X5 OpCo LLC may continue to serve you. If you should choose another provider you will need to contact that carrier directly to arrange for that change prior to the transfer of your service X5 OpCo LLC. Please note it can take several weeks for a new carrier to make the switch and you may also incur service initiation fees from that provider such as service order, installations, and other similar charges associated with establishing a new service account.

In the event there are any changes to your services following the transaction they will be made in compliance with your contract, service terms and applicable federal and state regulatory requirements.

Our mission is to continue to provide superior products and services to our customers. We want to thank you for your continued support. Welcome to X5! We look forward to meeting all your long distance communication needs. If you have any questions or concerns regarding your service or this transaction you can contact X5 OpCo LLC customer service at 888-588-1501.

Sincerely,

The Management Team
X5 OpCo LLC

VERIFICATION

State of WASHINGTON)
)
County of KING)

Personally appeared before the undersigned, an officer duly authorized to administer oaths, Gregory Forrest, who first being duly sworn, deposes and says that he is President and Chief Executive Officer of X5 OpCo LLC; that he has read the attached notice and knows the contents thereof; and, that the statements made herein are true to the best of his knowledge and belief.

Dated this 3 day of November, 2015.

X5 OpCo LLC

By: 
Gregory Forrest
President and Chief Executive Officer
1008 Western Avenue, Suite 400
Seattle, WA 98104
Telephone: 206.973.5800

Subscribed and Sworn to me this 3 day of November, 2015



Notary Public

My Commission Expires 5-24-2016

SEAL

