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AZ CORP COMMISSION
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Via Overnight Delivery

December 18, 2015

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

Arizona Corporation Commission
DOCKETED

DEC 22 2015

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Re: Supplement to X5 OpCo LLC and NovaTel Ltd., Inc. Notification Regarding
Acquisition of Assets, Docket No. T-201601A-15-0385

T-20946A-15-0385

Dear Sir/Madam:

X5 OpCo LLC and NovaTel Ltd., Inc. (jointly the "Companies") submit to the Arizona Corporation Commission an original and thirteen (13) copies of a *Supplement to X5 OpCo LLC and NovaTel Ltd., Inc. Notification Regarding Acquisition of Assets* ("Supplement"), in the above reference proceeding. By this supplement, the Companies request waiver of AAC R14-2-1904 *et seq.*, AAC R14-2-2001 *et seq.*, and AAC R14-2-1107, to the extent that the Commission may deem these rules applicable to this matter.

Please acknowledge receipt of this filing by file-stamping and returning the additional copy of this transmittal in the self-addressed, stamped envelope provided for this purpose. Thank you for your attention to this matter. Questions may be directed to the undersigned.

Sincerely,

MILLER ISAR, INC.

Andrew O. Isar

Regulatory Consultants to
X5 OpCo LLC and
for NovaTel Ltd., Inc.

Attachments

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, Chairman
TOM FORESE
DOUG LITTLE
BOB STUMP
BOB BURNS

IN THE MATTER OF X5 OPCO LLC)
AND NOVATEL LTD., INC. FOR APPROVAL) Docket No. T-20601A-15-0385
OF SALE OF ASSETS AND CANCELLATION)
OF CCN)

**SUPPLEMENT TO X5 OPCO LLC AND NOVATEL LTD., INC.
NOTIFICATION REGARDING ACQUISITION OF ASSETS**

X5 OpCo LLC (“X5 OpCo”) and NovaTel Ltd., Inc. (“NovaTel”) (jointly, the “Companies”) hereby request waiver of Arizona Administrative Code (“A.A.C.”) R14-2-1904 *et seq.* and any other applicable anti-slamming regulations that may that may be inconsistent with the Federal Communications Commission’s (“FCC”) rules regarding the transfer of customer bases. This request supplements the Companies’ joint request for approval for sale of assets from NovaTel to X5 OpCo. and cancellation of NovaTel’s Certificate of Convenience and Necessity in the above-captioned proceeding. In support of their request, the Companies state as follows.

In accordance with the terms of their service contracts and the rules and procedures of the FCC and applicable state(s), including the Arizona Corporation Commission, customers have been properly notified of the proposed transaction and the change in their telecommunications provider from NovaTel to X5 OpCo. X5 OpCo and NovaTel have provided customers with more than thirty (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), a copy of which was attached in the Companies’ notice and

is attached hereto at **Exhibit A**. The Companies respectfully request that the Commission grant a waiver of AAC R14-2-1904 *et seq.* and any other applicable anti-slamming regulations that may be inconsistent with the FCC's rules regarding the transfer of customer bases, to the extent necessary,.

The Companies also respectfully request that the Commission, to the extent applicable, grant a waiver of AAC R14-2-2001 *et seq.* (the "Cramming Rules"), which, among other things, require a telecommunications company to obtain authorization from a customer when ordering telecommunications products and services in order to prevent unauthorized carrier charges on their bill. As described herein, X5 OpCo is purchasing the assets, including customer accounts of NovaTel. NovaTel subscribers will receive from X5 OpCo the same services as they currently receive under the same rates, terms and conditions. Applicants believe that the Commission's Cramming Rules do not apply in this instance, as NovaTel's subscribers are simply being transferred to X5 OpCo. No new products and services are being ordered from X5 OpCo and no new charges will be assessed as a result of the Transaction.

To the extent that the Cramming Rules apply to the Transaction, the Companies respectfully submit that it is in the public interest to grant a waiver of the rules in this case because current NovaTel customers will receive at least 30 days' notice of the Transaction as required by the FCC's account transfer rules; customers have been given full notice that their current services will be provided by X5 opCo after the Transaction is completed, and that there will be no change in the quality or cost of their services as a result of the Transaction.

Further, the Companies respectfully request that the Commission grant waiver of AAC R14-2-1107 (the "Discontinuance Rule"), to the extent applicable. The Discontinuance Rule governs a telecommunications company's discontinuance of competitive local exchange or

interexchange services in the State. The Companies do not believe that the Discontinuance Rule applies in this matter as the Transaction involves the transfer of NovaTel's customers to X5 OpCo, neither of which are local exchange carriers in Arizona. Moreover, service to the acquired customer accounts is not being discontinued.

In the event that the Commission determines that the Discontinuance Rule does apply, Applicants respectfully request that the Commission grant a waiver. NovaTel's customers have received at least thirty (30) days' notice of the Transaction as required by the FCC's account transfer regulations 47 C.F.R. §64.1120(e). It would be confusing for customers to also receive a notice regarding a NovaTel's discontinuance of service or for the planned customer transfer notice to include a discussion regarding a discontinuance since no affected customer will be discontinued as a result of the Transaction. The Commission's waiver of the Discontinuance Rule will serve the public interest.

WHEREFORE, for the reasons set forth above, Applicants respectfully request that the Commission grant all authority necessary for X5 OpCo, LLC to acquire the customers of NovaTel Ltd., Inc.

RESPECTFULLY SUBMITTED this 18th day of December, 2015

MILLER ISAR, INC.



Andrew O. Isar
4304 92nd Avenue NW
Gig Harbor, WA 98335
Telephone 253.851.6700

Consultants to X5 OpCo LLC

Original and thirteen (13) copies
of the foregoing filed this 18th day
of December, 2015, with:

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

Copy of the foregoing delivered
this this 18th day
of December, 2015, with:

Thomas Broderick
Janice Alward
Dwight Nodes
Arizona Corporation Commission
1200 W. Washington
Phoenix Arizona 85007

EXHIBIT A
Customer Notification

(Attached)

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 Texas)
)
County of Dallas)

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 Supplement and knows the contents thereof; and that the statements made therein are true to the best of his knowledge and belief.

Dated this 16 day of December, 2015,

By: X5 OpCo LLC
Gregory Forrest

Gregory Forrest ~~ERREST~~
President and Chief Executive Officer
2828 N. Harwood Street
Suite 1700
Dallas, TX 75201

Subscribed and sworn to me this 16 day of December, 2015.

Barbara Kay Meyer

Notary Public

My Commission Expires 5/19/16

SEAL



