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Via Overnight Delivery

November 20, 2015

Mr. Jeff R. Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, KY 40602

RE: Notification Regarding the Acquisition of NovaTel Ltd., Inc. (CLEC Utility ID 5056280 / LD Utility ID 5178200) Assets by X5 OpCo LLC

Dear Mr. Derouen:

NovaTel Ltd., Inc. ("NovaTel") and X5 OpCo LLC ("X5 OpCo") (jointly "the Companies"), hereby notify the Kentucky Public Service Commission ("Commission") that X5 OpCo is acquiring certain Kentucky assets, including NovaTel's subscriber base, through a mutually negotiated Asset Purchase Agreement ("Transaction").<sup>1</sup> As a result of the Transaction, NovaTel's Kentucky commercial interexchange subscribers<sup>2</sup> and other assets will be transferred to X5 OpCo. NovaTel will cease to provide telecommunications services in Kentucky 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

<sup>1</sup> It is the Companies understanding that prior Commission action is not required for the Companies to complete the Transaction. The Companies submit this notice for the Commission's information.

<sup>2</sup> NovaTel does not provide local exchange services and does not serve residential subscribers.



owners and management teams to grow profitable businesses. X5 OpCo maintains authority to provide domestic interstate interexchange and international telecommunications. X5 OpCo has contemporaneously submitted a *Letter of Initiation of Service* to the Commission. X5 recognizes that it may not complete the Transaction and initiate services in Kentucky until the Company's *Letter of Initiation of Service* is accepted by the Commission.

**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 switched and dedicated interexchange telecommunications services. NovaTel operates as an interexchange reseller and was granted authority as a competitive local exchange carrier, but does not provide local exchange services in the Commonwealth of Kentucky.<sup>3</sup>

## 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 Kentucky 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 Kentucky authorities be cancelled at that time. NovaTel does not maintain Kentucky tariffs. No Adoption Notice is filed, accordingly. X5 OpCo has elected not to file tariffs in Kentucky. In lieu of Kentucky tariffs, a Service Guide containing the rates, terms and conditions of services offered in Kentucky, has been posted on the Company's web site at [www.x5solutions.com](http://www.x5solutions.com).

## 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 regulations, subscribers are being 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.

<sup>3</sup> CLEC Utility ID 5056280 / LD Utility ID 5178200



#### **IV. Designated Contacts**

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

##### **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  
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**V. Public Interest Considerations.**

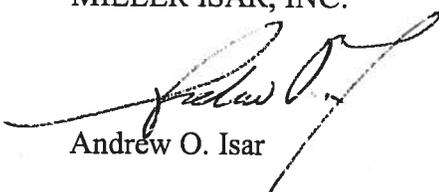
The proposed assignment of NovaTel's assets to X5 OpCo serves the public interest and will cause no offsetting public interest harms. The Transaction will provide additional capitalization needed to expand services and operations, and enhance the Company's ability to provide competitive telecommunications services to the public. Further, X5 OpCo's broad management experience will enable X5 OpCo to explore new innovative service opportunities and provide added value to former NovaTel subscribers. The proposed assignment does not raise any competitive concerns.

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

