

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
21 S. FRUIT ST., STE 10 CONCORD, NH 03301-2429
603-271-2431
www.puc.nh.gov

Attachment A
NHPUC Form ILEC-3
Annual Report
Part Puc 429.04
Rev. 3/23/06

**INCUMBENT LOCAL EXCHANGE CARRIER
ANNUAL REPORT**

Company:

Northland Telephone Company of Maine, Inc.

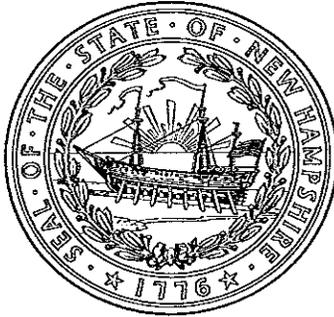
For the Year Ended December 31,

2009

Please enter any comments and notes below.

STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Concord, New Hampshire



Telecommunications Companies
Incumbent Local Exchange Carrier

ANNUAL REPORT OF

Annual Report of Northland Telephone Company of Maine, Inc.

(If name was changed during the year, enter the previous name and date of change below)

f/k/a <Enter Previous Company Name>

Date of Change <Enter Date>

FOR THE YEAR ENDED DECEMBER 31, 2009

FEDERAL TAX ID#

010489649

Officer or other person to whom correspondence should be addressed regarding this report:

Name	Lisa R. Hood
Title	Sr. VP Corporate Controller
Address	155 Gannett Dr. South Portland, ME 04106
Phone Number	620-227-4400
Email Address	lhood@fairpoint.com

RSA 374:15 Every public utility shall file with the commission reports at such times, verified by oath in such manner, and setting forth such statistics and facts, as may be required by the commission.

RSA 374:17 Neglect or refusal to file will result in a forfeiture of \$100 per day for each day in default.

PUC Rule 429.04-This annual report is due at the commission offices no later than March 31 of each year.

Northland Telephone Company of Maine
For the Twelve Months Ended December 31, 2009
Supplemental Schedule

Gross Revenues for Exchanges of East Conway and Chatham:

Local Service Revenue	67,037.40
Network Access Revenue	51,326.44
Long Distance Revenue	24,791.85
Miscellaneous Revenue	0.00
Non-regulated Revenue	<u>20,157.63</u>
 Total Gross Revenue	 \$163,313.32

Northland Telephone Company of Maine, Inc.
Access Lines for New Hampshire Exchanges

	E. Conway Exchange	Chatham Exchange	Total
2009			
Business Access Lines	15	16	31
Residential Access Lines	96	199	295
Customers	111	215	326

Maine Public Utilities Commission

Utility Contact Information Sheet

Please provide 24x7 utility contact information for BOTH
Operational AND Security Issues below

Utility Name: FairPoint Communication (includes China, Community Service, Maine, Northland,
Sidney and Standish Telephone Companies)

Effective Date: January 1, 2010

Primary Contact – Operational Issues

Name: Elvin Lewis Title: Director, Operations

Telephone # (business hours): 207-642-7427, 8am to 5pm Mon-Fri
Telephone # (non-business hrs.): Home:207-568-3363/Cell:207-232-9003

Telephone # (non-business hrs.): Home:207-568-3363/Cell:207-232-9003
Fax #: 207-642-3095

Other contact information: Walt Levesque, Mgr, Operations (Bus:207-445-3820, home:207-563-3101/Cell:207-592-0475
Email: wlevesque@fairpoint.com

Secondary/Backup Contact – Operational Issues

Name: Cathy Harrington Title: Project Coordinator/AdminAsst

Telephone # (business hours): 207-642-7239, 8am to 5pm
Telephone # (non-business hrs.): 207-774-7095/Cell:207-233-9979

E-mail: charrington@fairpoint.com Fax #: 207-642-3095

Other contact information: RoJean Tulk, Mgr, Regulatory & Legislative Affairs (Bus:207-642-7351/Cell:207-233-9373

Contact – Security Issues

Name: Elvin Lewis Title: Director, Operations

Tele # (bus hours): 207-642-7427, 8am to 5pm Mon-Fri Tele:(non-bus hrs.):Home:207-568-3363/Cell:207-232-9003

E-mail: elewis@fairpoint.com Fax #: 207-642-3095

Other contact information: Cathy Harrington (see above)

*For any clarification contact:
Joe Sukaskas, 207-287-1375
joe.sukaskas@maine.gov*

or

*Faith Huntington, 207-287-1373
faith.huntington@maine.gov*

*Send completed form to:
Maine Public Utilities Commission
State House Station 18
242 State Street
Augusta, ME 04333-0018
Fax: 207-287-1039*

Submitted by: Cathy Harrington Date: 2/19/10

INCUMBENT LOCAL EXCHANGE CARRIER

ANNUAL REPORT

OF

Name _____ Northland Telephone Company of Maine

Address _____ South Portland, ME 04106

TO THE

MAINE

PUBLIC UTILITIES COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2009

Signature of Company Officer _____
responsible for this report

Title _____ SVP, Corporate Controller

Telephone # _____ 620-227-4400

E-Mail _____ lhood@fairpoint.com

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GENERAL INSTRUCTIONS

- I. Submit this report form on or before April 1 of the year following the year covered by this report.
- II. Each respondent must file one paper copy with the PUC in addition to the electronic copy.
- III. Prepare this report in conformity with the Maine Uniform System of Accounts (USOA) as prescribed in Chapter 210.
- IV. Information on all schedules should be rounded to the nearest dollar.
- V. Complete each question fully and accurately.
Enter the word "None" or "Not applicable" where it truly and completely states the fact.
- VI. Indicate negative amounts by enclosing the figures in parentheses ().
The abbreviations DR and CR may be used if needed for clarity.
- VII. If it is necessary to make revisions after the initial filing, resubmit only those pages that have been changed from the original submission.
- VIII. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement to the page being supplemented.
Provide the appropriate identification information, including the title(s) of the page and page number(s) supplemented.
- IX. Whenever schedules refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the amounts vary.

Title 35- A Revised Statutes

Section 102

"Commission" means the Public Utilities Commission.

"Corporation" includes municipal and quasi-municipal corporations.

"Person" includes a corporation, partnership, limited partnership, limited liability company, limited liability company, limited liability partnership, association, trust, estate, any other legal entity or natural person.

"Telephone Service" is the offering of a service that transmits communications by telephone, whether the communications are accomplished with or without the use of transmission wires.

"Telephone utility" includes every person, its lessees, trustees, receivers or trustees appointed by any court, that provides telephone service for compensation inside this State. "Telephone utility" does not include any person or entity that is excluded from the definition of "public utility" as defined in subsection 13, subject to the provisions of subsection 13, paragraph A to C.

Section 116

"Intrastate gross operating revenues" means intrastate revenues derived from filed rates, except revenues derived from sales for resale.

Section 709

Insider Transactions. Information pertaining to insider transactions. Each public utility shall submit to the commission with its annual report a record of insider transactions requiring review and approval under subsection 2.

Section 1508-A Administrative Penalty

1. Penalty. Unless otherwise specified in law, the commission may, in an adjudicatory proceeding, impose an administrative penalty as specified in this section.

A. For willful violations of this Title, a commission rule or a commission order by a public utility or a competitive electricity provider, the commission may impose an administrative penalty for each violation in an amount that does not exceed \$5,000 or .25% of the annual gross revenue that the public utility or the competitive electricity provider received from sales in the State, whichever amount is lower. Each day a violation continues constitutes a separate offense. The maximum administrative penalty for any related series of violations may not exceed \$500,000 or 5% of the annual gross revenue that the public utility or the competitive electricity provider received from sales in the State, whichever amount is lower.

B. For a violation in which a public utility or a competitive electricity provider was explicitly notified by the commission that it was not in compliance with the requirements of this Title, a commission rule or a commission order and that failure to comply could result in the imposition of administrative penalties, the commission may impose an administrative penalty that does not exceed \$500,000.

C. The commission may impose an administrative penalty in an amount that does not exceed \$1,000 on any person that is not a public utility or a competitive electricity provider and that violates this Title, a commission rule or a commission order. Each day a violation continues constitutes a separate offense. The Administrative penalty may not exceed \$25,000 for any related series of violations

D. In addition to the administrative penalties authorized by this subsection, the commission may require disgorgement of profits or revenues realized as a result of a violation of this Title, a commission rule or a commission order.

2. Considerations. In determining the amount of an administrative penalty under this section, the commission shall take into account:

A. The severity of the violation, including the intent of the violator and the nature, circumstances, extent and gravity of the prohibited act;

B. The reasonableness of the violator's belief that the violator's action or lack of action was in conformance with this Title, a commission rule or a commission order;

C. The violator's history of previous violations;

D. The amount necessary to deter future violations;

E. The violator's good faith attempts to comply after notification of a violation; and

F. Such other matters as justice requires.

HISTORY OF RESPONDENT				
1	1. Exact name of utility, including any d/b/a			
2	Northland Telephone Company of Maine			
3				
4	2. Location of Main Office		155 Gannett Drive	
5	South Portland, ME 04106			
6				
7	3. Location of Books and Records			
8	a. Customer	627 Route 3	South China, ME 04358	
9	b. Financial	155 Gannett Drive	South Portland, ME 04106	
10	4. Is respondent an individual, partnership, association or corporation?			
11	Corporation			
12	5. Date when utility commenced service to the public.			
13	August 1994			
14				
15	6. Names and addresses of (a) ten largest stockholders or (b) partners or members of association			
16				
17			(a)	(b)
18	Name	Address	Shares	% Partnership
19			Held	Held
20	ST Enterprises, LTD	P.O. Box 199		
21		Dodge City, KS 67801		
22				
23				
24				
25				
26				
27				
28				
29				
30				
31	7. If utility is a corporation, give date of organization and name of state under which incorporated.			
32	November 2, 1993			
33	State of Maine			
34	8. State fully the territory that the utility is authorized to serve			
35	Maine: Brooks, Eagle Lake, Fort Kent, Freedom, Fryeburg, Island Falls, Kingman Lee, Liberty, Lovell,			
36	Mattewamkeg, Morrill, North Fryeburg, North Lovell, Palermo, Patten, St. Francis, Sherman Mills,			
37	Smyrna Mills, Stockton Springs and Washington			
38	New Hampshire: Chatham and East Conway			
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

Line	HISTORY OF RESPONDENT			
1	9. Officers and Directors of the Company			
2				
3				
4	OFFICERS			
5				
6	Official Title		Name	
7	Chief Executive Officer		David Hauser	
8	President		Peter G. Nixon	
9				
10				
11				
12				
13				
14				
15				
16				
17	DIRECTORS			
18				
19	Name	Official Address	Inside or Outside Director	Date of Installation as Director
20				
21				
22	Alfred C. Giammarino	521 E. Morehead St. Ste 250		
23		Charlotte, NC 28202		
24	Shirley J. Linn	521 E. Morehead St. Ste 250		
25		Charlotte, NC 28202		
26	Susan L. Sowell	521 E. Morehead St. Ste 250		
27		Charlotte, NC 28202		
28	Lisa R. Hood	521 E. Morehead St. Ste 250		
29		Charlotte, NC 28202		
30				
31				
32	10. Name, address, phone and e-mail of officer to whom correspondence may be addressed regarding this report.			
33	Lisa R. Hood	FairPoint Communications		
34		908 W Frontview, Dodge City, KS 67801		
35	11. Name and address of person or firm performing the annual audit of the company's books.			
36	Ernst & Young			
37	100 North Tyron St, Suite 3800, Charlotte, NC 28202			
38	12. Name, address, phone number and e-mail address of contact person for regulatory affairs			
39	Mark Ellmer			
40	502 Cecil G. Costin Sr. Blvd.			
41	(850)229-7315	mellmer@fairpoint.com		

BALANCE SHEET

Line	Assets	Balance at End of the Year	Balance at Beginning of the Year	Increase or (Decrease)
1	CURRENT ASSETS			
2	Cash and Equivalents	71,125	152,924	(81,799)
3	Receivables	3,389,628	2,875,541	514,086
4	(Allowance for doubtful accounts)	(120,396)	(120,019)	(377)
5	Materials and supplies	74,774	131,018	(56,244)
6	Prepayments	32,518	36,750	(4,232)
7	Other Current Assets	58,423	58,753	(330)
8				
9	Total Current Assets	3,506,071	3,134,967	371,103
10				
11	NONCURRENT ASSETS			
12	Nonregulated Investments			-
13	Other Noncurrent Assets	3,580,760	3,477,278	103,482
14	Deferred Maintenance, Retirements and Other			-
15	Other Jurisdictional Assets - Net	832,680	832,680	-
16				
17	Total Noncurrent Assets	4,413,440	4,309,958	103,482
18				
19	PROPERTY, PLANT AND EQUIPMENT			
20	Telecommunications Plant in Service	72,469,789	71,195,271	1,274,518
21	Property Held for Future Telecommunications Use			-
22	Telecommunications Plant Under Construction	994,448	347,840	646,608
23	Telecommunications Plant Adjustment			-
24	Nonoperating Plant	822	822	-
25	Goodwill	14,474,578	14,474,578	-
26				
27	Total Property, Plant and Equipment	87,939,636	86,018,511	1,921,125
28				
29	DEPRECIATION AND AMORTIZATION ACCOUNTS			
30	Accumulated Depreciation	(67,378,652)	(64,802,638)	(2,576,014)
31	Accumulated Depreciation - Held for Future Telecom. Use			
32	Accumulated Depreciation - Nonoperating			
33	Accumulated Amortization - Tangible	(3,516,508)	(3,516,508)	0
34				
35	Total Depreciation and Amortization Accounts	(70,895,160)	(68,319,146)	(2,576,014)
36				
37	Net Property, Plant & Equipment	17,044,476	17,699,365	(654,889)
38				
39				
40	TOTAL ASSETS	24,963,987	25,144,291	(180,303)

BALANCE SHEET

Line	Liabilities and Equity	Balance at End of the Year	Balance at Beginning of the Year	Increase or (Decrease)
1	CURRENT LIABILITIES			
2	Current Accounts & Notes Payable	2,033,263	2,900,713	(867,449)
3	Customer's Deposits			-
4	Income Taxes - Accrued	(102,263)	(176,827)	74,564
5	Other Taxes - Accrued	261,910	214,234	47,676
6	Net Current Deferred Operating Income Taxes			-
7	Net Current Deferred Nonoperating Income Taxes			-
8	Other Current Liabilities	45,194	326,557	(281,363)
9				
10	Total Current Liabilities	2,238,103	3,264,676	(1,026,572)
11				
12	LONG-TERM DEBT			
13				
14	Total Long Term & Funded Debt			
15				
16	OTHER LIABILITIES AND DEFERRED CREDITS			
17	Other Long Term Liabilities & Deferred Credits			
18	Unamortized Operating Investment Tax Credits - Net			
19	Unamortized Nonoperating Investment Tax Credits - Net			
20	Net Noncurrent Deferred Operating Income Taxes			
21	Net Deferred Tax Liability Adjustments			
22	Net Noncurrent Deferred Nonoperating Income Taxes	6,168,977	4,581,468	1,587,509
23	Deferred Tax Regulatory Adjustments - Net			
24	Other Jurisdictional Liabilities and Deferred Credits - Net			
25				
26	Total Other Liabilities and Deferred Credits	6,168,977	4,581,468	1,587,509
27				
28	STOCKHOLDERS' EQUITY			
29	Capital Stock	1	1	-
30	Additional Paid-In Capital	37,120,115	37,120,115	0
31	Treasury Stock			-
32	Other Capital			-
33	Retained Earnings	(20,563,210)	(19,821,969)	(741,241)
34				
35	Total Stockholders' Equity	16,556,906	17,298,147	(741,241)
36				
37				
38	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	24,963,987	25,144,291	(180,303)

INCOME STATEMENT

Line	REVENUES (a)	RETAIL INTRA (b)	RETAIL INTER (c)	WHOLESALE INTRA (c1)	WHOLESALE INTER (c2)	COMPANY TOTAL (d)	CHANGE FROM PRIOR YEAR (e)	
1	Basic Local Service Revenue	5,654,776				5,654,776	(2,243,253)	
2								
3	Network Access Service Revenues							
4	- End User Revenue (EUCL)		2,961,079			2,961,079	1,113,274	
5	- Switched and Special Access Revenue	2,335,778	3,407,265			5,743,043	537,056	
6	- Private Line							
7	Interexchange Revenue	4,107				4,107	(15,969)	
8	Miscellaneous Revenue	343,347	469,271			812,618	(89,218)	
8a	Interconnection Charges including UNEs						63,713	
9	Nonregulated Operating Revenue							
10	Uncollectible Revenue	(80,955)				(80,955)	22,131	
11	Total Operating Revenues	8,257,055	6,837,615	-	-	15,094,670	(612,265)	
	EXPENSES							
12	Network Support Expense					52	(168)	611
13	General Support Expense					1,392,639	34,263	612
14	Central Office Switching Expense					1,300,318	320,172	621
15	Operator Systems Expense							622
16	Central Office Transmission Expense					296,429	3,883	623
17	Information Origination/Termination Expense							635
18	Cable and Wire Facilities Expense					1,871,736	(46,524)	641/642/6
19	Other Property, Plant & Equipment Expenses					(20,434)	(55,476)	651
20	Network Operations Expenses					1,111,585	(111,132)	653
21	Access Expense					368,546	(45,139)	654
22	Depreciation and Amortization Expenses					2,147,339	(41,761)	656
23	Marketing Expense					211,731	(501,602)	661
24	Services Expense					805,471	(106,260)	662
25	General and Administrative Expense					2,745,140	272,788	671/672
26	Provision For Uncollectible/Notes Receivable							
27	Total Operating Expenses					12,230,553	(276,955)	
28	Other Operating (Income) and Expenses					(224,924.53)	(224,925)	
29	Operating Taxes					870,498	(1,172,584)	722-725
30	Net Operating Income					2,218,544	1,062,199	
31	Nonoperating (Income) and Expenses							731
32	Nonoperating Taxes					1,474,734	1,474,734	742/743/7
33	Interest and Related Items					50	50	751
34	Extraordinary Items							
35	Total Non-operating Expenses and (Income)					1,474,784	1,474,784	
35a	Total Operating and Non-operating Income					743,760	(412,585)	
36	Income Effect of Jurisdictional Ratemaking Differences - Net							
37	Nonregulated Net Income							
38	NET INCOME					743,760	(412,585)	

Line 11 = lines 1+6+7+8+9+10
 Line 27 = sum of lines 12 through 26
 Line 30 = line 11 - (sum of lines 27 through 29)
 Line 35 = sum of lines 31 through 34
 Line 35a = line 30 - line 35
 Line 38 = sum of lines 35a through 37

ILEC REVENUES SUBJECT TO PUC/OPA ASSESSMENT

Using the information reported on page 8, this page calculates the revenues subject to Commission Assessment per 35-A M.R.S.A. §116. This section of statute defines revenues as follows: "For the purpose of this section, 'intrastate gross operating reven

Line	Description	Revenue Subject to Assessment
1	Basic Local Service Revenue - Page 8, Line 1, Column (b)	\$5,654,776
2	Switched and Special Access Revenue - Page 8, Line 5, Column (b)	\$2,335,778
3	Private Line - Page 8, Line 6, Column (b)	\$0
4	Interexchange Revenue - Page 8, Line 7, Column (b)	\$4,107
5	Miscellaneous Revenue - Page 8, Line 8 Column (b)	\$343,347
6	Total Revenue Subject to Assessment (Sum of Lines 1 through 5)	\$8,338,009

Note: This schedule has been added to reduce the confusion as to which reported amounts are subject to assessment. Any amounts not included on this page are not subject to assessment. This form is formatted as to automatically link the cells here to th

STATEMENT OF CASH FLOWS		
Line	Item (a)	Amount in \$ (b)
1	CASH FROM OPERATING ACTIVITIES	
2	Net Income	743,760
3	Adjustments to Net Income	
4	Depreciation	2,147,339
5	Deferred Taxes - Net	
6	Investment Tax Credits - Net	
7	Change in Accounts Receivable	(513,709)
8	Change in certain other Current Assets	4,562
9	(list items over \$10,000 on a	
10	supplementary schedule)	
11	Net change in Accounts Payable	(745,209)
12	Changes in certain other Current Liabilities	(281,363)
13	Net change in certain Noncurrent Assets and Liabilities	1,484,027
14	Interest During Construction	
15	Other (list items over \$10,000 on a	56,244
16	supplementary schedule)	
17	Net Cash (used in) from Operating Activities	2,895,651
18	CASH FROM INVESTING ACTIVITIES	
19	Acquisitions of Property, Plant and	
20	Equipment, net of Capital Lease Related Acquisitions	(1,510,517)
21	and Interest During Construction	
22	Proceeds from Disposal of Property, Plant	
23	Equipment, net of Cost of Removal	18,067
24	Investment Acquisitions, principally equity	
25	Net Cash from (used in) Investing Activities	(1,492,450)
26	CASH FROM FINANCING ACTIVITIES:	
27	Net Borrowings (repayments) of Short Term Debt	
28	Issuance of Long Term Debt	
29	(Retirement) of long term debt	
30	(Dividend Payments)	(1,485,000)
31	NET CASH FROM (USED IN) FINANCING	(1,485,000)
32	Net Increase (Decrease) in Cash and Temporary Cash Investments(TCI)	(81,799)
33	Cash and TCI at Beginning of Year	152,924
34	Cash and TCI at End of Year	71,125

**LOCAL EXCHANGE CARRIER
EXCHANGE PROFILE**

Name of LEC Northland Telephone Company of Maine
ANNUAL REPORT TO MAINE PUC FOR THE YEAR ENDING
31-Dec-09

Line	Exchange Name	Retail Access Lines						Public Access Lines	Centrex Lines	PBX Trunks
		Residential			Business					
		Total	Premium	Economy	Total	Premium	Economy			
1	Brooks 722	764	722	42	53	42	11	0	42	0
2	Freedom 382	412	398	14	20	20	0	0	3	0
3	Liberty 589	574	456	118	38	17	21	0	43	0
4	Morrill 342	1477	1361	116	104	85	19	1	98	24
5	Palermo 993	650	505	145	28	16	12	0	55	0
6	Stockton Springs 567	784	718	66	49	33	16	2	33	0
7	Washington 845	713	597	116	53	28	25	1	33	0
8	Eagle Lake 444	619	550	69	32	31	1	1	100	0
9	Fort Kent 834	1796	1508	288	263	212	51	4	450	168
10	St. Francis 398	340	336	4	26	26	0	1	19	0
11	Fryeburg 935	1473	1300	173	206	162	44	28	343	48
12	Lovell 925	736	612	124	75	58	17	1	41	0
13	North Fryeburg 697	300	291	9	16	16	0	1	10	0
14	North Lovell 928	449	367	82	15	12	3	1	12	0
15	Island Falls 463	476	429	47	41	31	10	1	107	0
16	Kingman 765	232	206	26	5	4	1	1	14	0
17	Patten 528	608	598	10	61	61	0	1	53	24
18	Sherman Mills 365	633	566	67	39	33	6	1	66	0
19	Smyrna Mills 757	666	616	50	71	48	23	1	33	0
20	Lee 738	716	637	79	28	14	14	1	66	0
21	Mattawamkeag 736	407	375	32	39	33	6	2	37	0
22	Chatham (603) 694	206	199	0	16	16	0	0	0	0
23	E Conway (603) 939	127	96	0	15	15	0	0	0	0
Total		15031	13443	1677	1293	1013	280	49	1658	264

State of Kansas

County of Ford, ss

I, THE UNDERSIGNED Lisa R. Hood, Sr VP Corporate Controller
(Print name of officer) (Title)

of FairPoint Communications
(Full Name of Respondent)

do make oath that the foregoing return has been prepared, under my direction from the original books, papers and records of said Company; that I have carefully examined the same and declare the same to be a complete and correct statement of the business and affairs of said Company in respect to each and every matter and thing herein set forth; and I further say that no deductions were made before stating the operating revenues herein set forth, except those shown on the foregoing accounts; and that the accounts and figures contained in the foregoing return embrace all of the financial operations of said Company during the period for which said return is made, to the best of my knowledge and belief.

(Owner or Officer)

SUBSCRIBED AND SWORN TO before me

this _____ day of _____ 20__
