

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.

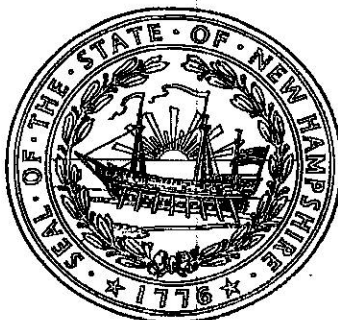
For the Year Ended December 31,

2010

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)

//k/a <Enter Previous Company Name>

Date of Change <Enter Date>

FOR THE YEAR ENDED DECEMBER 31, 2010

FEDERAL TAX ID#

01-0489649

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

Name	Angela Unruh
Title	Regional Controller
Address	908 W. Frontview Dodge City, KS 67801
Phone Number	(620) 227-4400
Email Address	aunruh@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, 2010
Supplemental Schedule

Gross Revenues for Exchanges of East Conway and Chatham:

Local Service Revenue	68,335.16
Network Access Revenue	42,810.18
Long Distance Revenue	25,269.66
Miscellaneous Revenue	0.00
Non-regulated Revenue	<u>20,020.06</u>
Total Gross Revenue	\$156,435.06

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

	E. Conway Exchange	Chatham Exchange	Total
2010			
Business Access Lines	14	12	26
Residential Access Lines	87	197	284
Customers	101	209	310

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, 2011

Primary Contact – Operational Issues

Name: Elvin Lewis Title: Director, Operations

Telephone # (business hours): 207-535-4242, 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 #: 207-445-2100

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): 207-535-4410, 8am to 5pm

Telephone # (non-business hrs.): 207-774-7095/Cell: 207-233-9979

E-mail: charrington@fairpoint.com Fax #: 207-772-3633

Other contact information: Audrey Prior, VP-Govt Relations, Maine (Bus: 207-535-4247/Cell: 207-233-9383

Contact – Security Issues

Name: Elvin Lewis Title: Director, Operations

Tele # (bus hours): 207-535-4242, 8am to 5pm Mon-Fri Tele: (non-bus hrs.): Home: 207-568-3363/Cell: 207-232-9003

E-mail: elewis@fairpoint.com Fax #: 207-445-2100

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: Susan Hillock Date: 2/9/11

INCUMBENT LOCAL EXCHANGE CARRIER

ANNUAL REPORT

OF

Name Northland Telephone Company of Maine

Address 45 Forest Avenue, Portland, ME 04101

TO THE

MAINE

PUBLIC UTILITIES COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2010

Signature of Company Officer _____
responsible for this report

Title Senior VP

Telephone # (620) 227-4400

E-Mail lhod@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.

Line	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		45 Forest Avenue	
5			Portland, ME 04101	
6				
7	3. Location of Books and Records			
8	a. Customer	627 Route 3	South China, ME 04358	
9	b. Financial	45 Forest Avenue	Portland, ME 04101	
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 67801-0199		
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				
36	Maine: Brooks, Eagle Lake, Fort Kent, Freedom, Fryeburg, Island Falls, Kingman, Lee, Liberty, Lovell,			
37	Mattawamkeag, Morrill, North Fryeburg, North Lovell, Palermo, Patten, St. Francis, Sherman Mills,			
38	Smyrna Mills, Stockton Springs and Washington			
39	New Hampshire: Chatham and East Conway			
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				
8				
9	Chief Executive Officer		Paul H. Sunu	
10	President		Peter G. Nixon	
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	D. Brett Ellis	521 E. Morehead St., Suite 250, Box F		
23		Charlotte, NC 28202		
24	Thomas E. Griffin	Same as above		
25	Shirley J. Linn	Same as above		
26	Peter G. Nixon	Same as above		
27	Ajay Sabherwal	Same as above		
28	Susan L. Sowell	Same as above		
29	Paul H. Sunu	Same as above		
30				
31				
32	10. Name, address, phone and e-mail of officer to whom correspondence may be addressed regarding this report.			
33	John Hogshire	521 E. Morehead St., Suite 250	(704) 344-8150	
34	VP, Corporate Controller	Charlotte, NC 28202	jhogshire@fairpoint.com	
35	11. Name and address of person or firm performing the annual audit of the company's books.			
36	Ernst & Young			
37	100 North Tryon 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., Port St. Joe, FL 32456			
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	17,366	71,125	(53,759)
3	Receivables	2,122,025	3,389,628	(1,267,603)
4	(Allowance for doubtful accounts)	(119,200)	(120,396)	1,196
5	Materials and supplies	101,500	74,774	26,726
6	Prepayments	24,193	32,518	(8,325)
7	Other Current Assets	59,649	58,423	1,226
8				
9	Total Current Assets	2,205,533	3,506,071	(1,300,538)
10				
11	NONCURRENT ASSETS			
12	Nonregulated Investments	-	-	-
13	Other Noncurrent Assets	-	3,580,760	(3,580,760)
14	Deferred Maintenance, Retirements and Other	-	-	-
15	Other Jurisdictional Assets - Net	832,680	832,680	-
16				
17	Total Noncurrent Assets	832,680	4,413,440	(3,580,760)
18				
19	PROPERTY, PLANT AND EQUIPMENT			
20	Telecommunications Plant in Service	74,162,640	72,469,789	1,692,851
21	Property Held for Future Telecommunications Use	-	-	-
22	Telecommunications Plant Under Construction	451,723	994,448	(542,725)
23	Telecommunications Plant Adjustment	-	-	-
24	Nonoperating Plant	822	822	-
25	Goodwill	14,474,578	14,474,578	-
26				
27	Total Property, Plant and Equipment	89,089,763	87,939,636	1,150,127
28				
29	DEPRECIATION AND AMORTIZATION ACCOUNTS			
30	Accumulated Depreciation	(68,419,249)	(67,378,652)	(1,040,597)
31	Accumulated Depreciation - Held for Future Telecom. Use	-	-	-
32	Accumulated Depreciation - Nonoperating	-	-	-
33	Accumulated Amortization - Tangible	(3,516,508)	(3,516,508)	-
34				
35	Total Depreciation and Amortization Accounts	(71,935,756)	(70,895,160)	(1,040,597)
36				
37	Net Property, Plant & Equipment	17,154,006	17,044,476	109,530
38				
39				
40	TOTAL ASSETS	20,192,219	24,963,987	(4,771,768)

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	1,244,658	2,033,263	(788,605)
3	Customer's Deposits	-	-	-
4	Income Taxes - Accrued	33,574	(102,263)	135,837
5	Other Taxes - Accrued	217,612	261,910	(44,298)
6	Net Current Deferred Operating Income Taxes	-	-	-
7	Net Current Deferred Nonoperating Income Taxes	-	-	-
8	Other Current Liabilities	13,476	45,194	(31,718)
9				
10	Total Current Liabilities	1,509,318	2,238,103	(728,785)
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	(3,324,071)	-	(3,324,071)
21	Net Deferred Tax Liability Adjustments	-	-	-
22	Net Noncurrent Deferred Nonoperating Income Taxes	7,188,672	6,168,977	1,019,695
23	Deferred Tax Regulatory Adjustments - Net	-	-	-
24	Other Jurisdictional Liabilities and Deferred Credits - Net	-	-	-
25				
26	Total Other Liabilities and Deferred Credits	3,864,601	6,168,977	(2,304,376)
27				
28	STOCKHOLDERS' EQUITY			
29	Capital Stock	1	1	-
30	Additional Paid-In Capital	37,120,115	37,120,115	-
31	Treasury Stock	-	-	-
32	Other Capital	-	-	-
33	Retained Earnings	(22,301,817)	(20,563,210)	(1,738,607)
34				
35	Total Stockholders' Equity	14,818,299	16,556,906	(1,738,607)
36				
37				
38	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	20,192,219	24,963,987	(4,771,768)

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	5,297,251	-	-	-	5,297,251	(357,525)
2							
3	Network Access Service Revenues						
4	- End User Revenue (EUCL)		1,835,060			1,835,060	(1,126,019)
5	- Switched and Special Access Revenue	2,270,513	3,278,133	-	-	5,548,647	(194,396)
6	- Private Line	-	-	-	-	-	-
7	Interexchange Revenue	1,471	-	-	-	1,471	(2,636)
8	Miscellaneous Revenue	315,513	492,339	-	-	807,852	(4,766)
8a	Interconnection Charges including UNEs			-		-	-
9	Nonregulated Operating Revenue	1,406,414	-	-	-	1,406,414	1,406,414
10	Uncollectible Revenue	(109,054)	-	-	-	(109,054)	(28,099)
11	Total Operating Revenues	9,182,108	5,605,533	-	-	14,787,641	(307,029)
	EXPENSES						
12	Network Support Expense					940	888
13	General Support Expense					3,165,652	1,773,013
14	Central Office Switching Expense					1,217,450	(82,868)
15	Operator Systems Expense					-	-
16	Central Office Transmission Expense					249,888	(46,541)
17	Information Origination/Termination Expense					-	-
18	Cable and Wire Facilities Expense					1,735,523	(136,213)
19	Other Property, Plant & Equipment Expenses					-	20,434
20	Network Operations Expenses					1,198,421	86,836
21	Access Expense					475,446	106,900
22	Depreciation and Amortization Expenses					1,898,369	(248,970)
23	Marketing Expense					150,470	(61,261)
24	Services Expense					718,103	(87,368)
25	General and Administrative Expense					1,698,887	(1,046,253)
26	Provision For Uncollectible/Notes Receivable					-	-
27	Total Operating Expenses					12,509,151	278,598
28	Other Operating (Income) and Expenses					-	224,925
29	Operating Taxes					1,955,926	1,085,428
30	Net Operating Income					322,564	(1,895,979)
31	Nonoperating (Income) and Expenses					1,620,227	1,620,227
32	Nonoperating Taxes					(768,174)	(2,242,908)
33	Interest and Related Items					119	69
34	Extrordinary Items					-	-
35	Total Non-operating Expenses and (Income)					852,172	(622,612)
35a	Total Operating and Non-operating Income					(529,607)	(1,273,367)
36	Income Effect of Jurisdictional Ratemaking Differences - Net					-	-
37	Nonregulated Net Income					-	-
38	NET INCOME					(529,607)	(1,273,367)

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)	\$5,297,251
2	Switched and Special Access Revenue - Page 8, Line 5, Column (b)	\$2,270,513
3	Private Line - Page 8, Line 6, Column (b)	\$0
4	Interexchange Revenue - Page 8, Line 7, Column (b)	\$1,471
5	Miscellaneous Revenue - Page 8, Line 8 Column (b)	\$315,513
6	Total Revenue Subject to Assessment (Sum of Lines 1 through 5)	\$7,884,748

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	(529,607)
3	Adjustments to Net Income	
4	Depreciation	1,898,369
5	Deferred Taxes - Net	-
6	Investment Tax Credits - Net	-
7	Change in Accounts Receivable	1,266,407
8	Change in certain other Current Assets	7,099
9	(list items over \$10,000 on a	
10	supplementary schedule)	
11	Net change in Accounts Payable	(697,066)
12	Changes in other Current Liabilities	(31,718)
13	Net change in Noncurrent Assets and Liabilities	1,276,384
14	Interest During Construction	-
15	Other (list items over \$10,000 on a	(26,726)
16	supplementary schedule)	
17	Net Cash (used in) from Operating Activities	3,163,142
18	CASH FROM INVESTING ACTIVITIES	
19	Acquisitions of Property, Plant and	
20	Equipment, net of Capital Lease Related Acquisitions	
21	and Interest During Construction	(1,958,241)
22	Proceeds from Disposal of Property, Plant	
23	Equipment, net of Cost of Removal	(49,660)
24	Investment Acquisitions, principally equity	-
25	Net Cash from (used in) Investing Activities	(2,007,901)
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)	(1,209,000)
31	Net Cash from (used in) Financing	(1,209,000)
32	Net Increase (Decrease) in Cash and Temporary Cash Investments(TCI)	(53,759)
33	Cash and TCI at Beginning of Year	71,125
34	Cash and TCI at End of Year	17,366

**ACCOUNT # 2001 TELEPHONE PLANT IN SERVICE
SUMMARY OF DETAIL ACCOUNTS**

Line	Account Name	Balance @ Begin Year	Additions	Retirements	Adjustment	Balance @ End Year
1	Land and support assets	6,003,192	13,370	-	-	6,016,562
2	Central office switching	4,297,370	19,747	-	-	4,317,117
3	Operator systems	3,274	-	-	-	3,274
4	Central office-transmission	23,373,527	1,617,664	(517,567)	36,232	24,509,856
5	Information origination/termination	215,861	-	-	-	215,861
6	Cable and wire facilities	38,564,298	849,922	(290,547)	(35,970)	39,087,703
7	Amortizable tangible assets	-	-	-	-	-
8	Intangibles	12,266	-	-	-	12,266
9	Total	72,469,789	2,500,702	(808,114)	263	74,162,640

LONG TERM DEBT SUMMARY

Name of Lender	Original Loan Amount	Balance @ Beg of Year	Balance @ End Of Year	Interest Paid	Interest Rate
N/A					
Total					

NOTE: Amounts shown on this schedule should reflect all items

(such as premiums and discounts) included in account number 32.4200

NOTE: If the interest rate is variable, show the effective average rate for the reported year and a concise description of the basis for the rate.

RETAINED EARNINGS

	Debits	Credits
Retained Earnings at Beginning of Year	20,563,210	-
Credits:		
Credit Balance Transferred from Income	XXX	-
Miscellaneous Credits	XXX	-
Debits:		
Debit Balance Transferred from Income	529,607	XXX
Dividends Declared	1,209,000	XXX
Other Adjustments ¹	-	
Retained Earnings at End of Year	22,301,817	-

¹ Provide details of Any Material Accounts

State of Kansas

County of Ford,ss

I, THE UNDERSIGNED Lisa R. Hood Senior VP
(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__

