

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. 3/01/07

**INCUMBENT LOCAL EXCHANGE CARRIER
ANNUAL REPORT**

Company:

Northland Telephone Company of Maine, Inc.

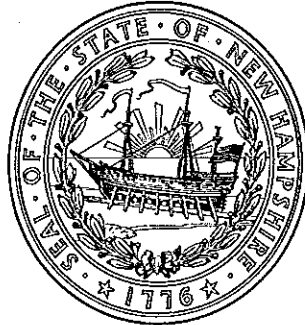
For the Year Ended December 31,

2012

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

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, 2012

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, 2012
Supplemental Schedule

Gross Revenues for Exchanges of East Conway and Chatham:

Local Service Revenue	64,623.23
Network Access Revenue	45,311.67
Long Distance Revenue	24,220.18
Miscellaneous Revenue	0.00
Non-regulated Revenue	<u>15,936.74</u>
Total Gross Revenue	\$150,091.82

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

	E. Conway Exchange	Chatham Exchange	Total
2012			
Business Access Lines	11	14	25
Residential Access Lines	69	188	257
Customers	80	202	282

Name, address, phone number and e-mail address of contact person for NH regulatory affairs:

Ryan Taylor, Director Regulatory
770 Elm Street, Manchester, NH 03101
(603) 656-8102
ryan.taylor@fairpoint.com

Maine Public Utilities Commission

Utility Contact Information Sheet

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

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

Effective Date: January 1, 2013

Primary Contact – Operational Issues

Name: Elvin Lewis Title: Director, Northeast Telecom Operations

Telephone # (business hours): 518-392-1265, 8am to 5pm Mon-Fri

Telephone # (non-business hrs.): Cell: 207-232-9003

E-mail: elvin.lewis@fairpoint.com

Fax #: 518-392-9321

Other contact information: Walt Levesque, Mgr, Operations (Bus: 207-445-3820, Home: 207-563-3101, Cell: 207-592-0475)

Email: walt.levesque@fairpoint.com

Secondary/Backup Contact – Operational Issues

Name: Tom Campbell Title: Local OPS Manager

Telephone # (business hours): 207-377-1982, 8am to 5pm Mon-Fri

Telephone # (non-business hrs.): Cell: 207-233-1143

E-mail: tcampbell@fairpoint.com Fax #: 207-377-1319

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, Northeast Telecom Operations

Tele # (bus hours): 518-392-1265, 8am to 5pm Mon-Fri, Tele # (non-bus hrs.): Cell: 207-232-9003

E-mail: elvin.lewis@fairpoint.com Fax #: 518-392-9321

Other contact information: Walt Levesque or Tom Campbell (see above)

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, 2012

Name of Company Officer
Responsible for this Annual Report

John T. Hogshire

Title

VP, Corporate Controller

Telephone #

(704) 344-8150

E-Mail

jhogshire@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 the completed report electronically using the PUC's CMS.
- 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.

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	S T Enterprises, Ltd.	908 W. Frontview	100	
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				
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	Executive VP		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	John T. Hogshire	521 E. Morehead St., Suite 250		
23		Charlotte, NC 28202		
24	Shirley J. Linn	Same as above		
25	Peter G. Nixon	Same as above		
26	Ajay Sabherwal	Same as above		
27	Susan L. Sowell	Same as above		
28	Paul H. Sunu	Same as above		
29	John R. Whitener	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 T. 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	Audrey Prior, VP Government Relations			
40	1 Davis Farm Road, Portland, ME 04103			
41	(207) 535-4247	aprior@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	106,794	20,146	86,648
3	Receivables	1,591,061	1,837,342	(246,281)
4	(Allowance for doubtful accounts)	(91,628)	(32,530)	(59,098)
5	Materials and supplies	73,614	74,974	(1,360)
6	Prepayments	94,693	4,414	90,279
7	Other Current Assets	49,712	20,687	29,025
8				
9	Total Current Assets	1,824,246	1,925,033	(100,787)
10				
11	NONCURRENT ASSETS			
12	Nonregulated Investments	-	-	-
13	Other Noncurrent Assets	-	-	-
14	Deferred Maintenance, Retirements and Other	-	-	-
15	Other Jurisdictional Assets - Net	832,680	832,680	-
16				
17	Total Noncurrent Assets	832,680	832,680	-
18				
19	PROPERTY, PLANT AND EQUIPMENT			
20	Telecommunications Plant in Service	75,132,400	74,516,274	616,126
21	Property Held for Future Telecommunications Use	-	-	-
22	Telecommunications Plant Under Construction	680,968	355,662	325,306
23	Telecommunications Plant Adjustment	-	-	-
24	Nonoperating Plant	822	822	-
25	Goodwill	-	-	-
26				
27	Total Property, Plant and Equipment	75,814,190	74,872,758	941,432
28				
29	DEPRECIATION AND AMORTIZATION ACCOUNTS			
30	Accumulated Depreciation	(70,975,020)	(70,028,983)	(946,037)
31	Accumulated Depreciation - Held for Future Telecom. Use	-	-	-
32	Accumulated Depreciation - Nonoperating	-	-	-
33	Accumulated Amortization - Tangible	(832,680)	(832,680)	-
34				
35	Total Depreciation and Amortization Accounts	(71,807,700)	(70,861,663)	(946,037)
36				
37	Net Property, Plant & Equipment	4,006,490	4,011,095	(4,605)
38				
39				
40	TOTAL ASSETS	6,663,416	6,768,808	(105,392)

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	911,318	896,007	15,311
3	Customer's Deposits	-	-	-
4	Income Taxes - Accrued	(717)	122,774	(123,491)
5	Other Taxes - Accrued	11,361	189,931	(178,570)
6	Net Current Deferred Operating Income Taxes	-	-	-
7	Net Current Deferred Nonoperating Income Taxes	-	-	-
8	Other Current Liabilities	-	-	-
9				
10	Total Current Liabilities	921,962	1,208,711	(286,749)
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	(2,826,498)	(3,151,253)	324,755
21	Net Deferred Tax Liability Adjustments	-	-	-
22	Net Noncurrent Deferred Nonoperating Income Taxes	1,819,705	1,819,703	2
23	Deferred Tax Regulatory Adjustments - Net	-	-	-
24	Other Jurisdictional Liabilities and Deferred Credits - Net	-	-	-
25				
26	Total Other Liabilities and Deferred Credits	(1,006,793)	(1,331,550)	324,757
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	(30,371,869)	(30,228,469)	(143,400)
34				
35	Total Stockholders' Equity	6,748,247	6,891,647	(143,400)
36				
37				
38	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	6,663,416	6,768,808	(105,392)

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	4,478,997	-	-	-	4,478,997	(525,691)
2							
3	Network Access Service Revenues						
4	- End User Revenue (EUCL)		1,622,670			1,622,670	(61,138)
5	- Switched and Special Access Revenue	6,898	2,515,696	1,668,661	598,924	4,790,179	(605,239)
6	- Private Line	17,680	-	-	-	17,680	17,680
7	Interexchange Revenue	53	-	-	-	53	(1,357)
8	Miscellaneous Revenue	263,504	476,594	-	-	740,098	(242,914)
8a	Interconnection Charges including UNEs					-	-
9	Nonregulated Operating Revenue	-	-	-	-	-	149,308
10	Uncollectible Revenue	(129,361)	-	-	-	(129,361)	(69,726)
11	Total Operating Revenues	4,837,771	4,614,960	1,668,661	598,924	11,520,316	(1,339,077)
	EXPENSES						
12	Network Support Expense					267	(814)
13	General Support Expense					2,149,470	(76,912)
14	Central Office Switching Expense					969,607	(66,467)
15	Operator Systems Expense					-	-
16	Central Office Transmission Expense					504,979	17,944
17	Information Origination/Termination Expense					-	-
18	Cable and Wire Facilities Expense					1,735,320	(128,307)
19	Other Property, Plant & Equipment Expenses					-	952
20	Network Operations Expenses					1,034,802	(87,354)
21	Access Expense					215,409	(164,639)
22	Depreciation and Amortization Expenses					1,376,868	(639,564)
23	Marketing Expense					180,123	33,589
24	Services Expense					607,010	(68,226)
25	General and Administrative Expense					2,156,868	224,996
26	Provision For Uncollectible/Notes Receivable					-	-
27	Total Operating Expenses					10,930,723	(954,802)
28	Other Operating (Income) and Expenses					-	-
29	Operating Taxes					127,710	(415,427)
30	Net Operating Income					461,883	31,152
31	Nonoperating (Income) and Expenses					218,906	(11,707,100)
32	Nonoperating Taxes					113,377	4,798,000
33	Interest and Related Items					-	-
34	Extraordinary Items					-	-
35	Total Non-operating Expenses and (Income)					332,283	(6,909,100)
35a	Total Operating and Non-operating Income					129,600	6,940,252
36	Income Effect of Jurisdictional Rate-making Differences - Net					-	-
37	Nonregulated Net Income					-	-
38	NET INCOME					129,600	6,940,252

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

Revenue Subject to Assessment
(Revenue from Filed Rates)

\$ 3,488,098

STATEMENT OF CASH FLOWS		
Line	Item (a)	Amount in \$ (b)
1	CASH FROM OPERATING ACTIVITIES	
2	Net Income	129,600
3	Adjustments to Net Income	
4	Depreciation	1,376,868
5	Deferred Taxes - Net	(29,025)
6	Investment Tax Credits - Net	-
7	Change in Accounts Receivable	305,379
7a	Change in Prepayments	(90,279)
8	Change in certain other Current Assets	1,360
9	(list items over \$10,000 on a	
10	supplementary schedule)	
11	Net change in Accounts Payable	(286,748)
12	Changes in other Current Liabilities	-
13	Net change in Noncurrent Assets and Liabilities	324,757
14	Interest During Construction	-
15	Other (list items over \$10,000 on a	-
16	supplementary schedule)	
17	Net Cash (used in) from Operating Activities	1,731,912
18	CASH FROM INVESTING ACTIVITIES	
19	Acquisitions of Property, Plant and	
20	Equipment, net of Capital Lease Related Acquisitions	
21	and Interest During Construction	(1,372,074)
22	Proceeds from Disposal of Property, Plant	
23	Equipment, net of Cost of Removal	(190)
24	Investment Acquisitions, principally equity	-
25	Net Cash from (used in) Investing Activities	(1,372,264)
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)	(273,000)
31	Net Cash from (used in) Financing	(273,000)
32	Net Increase (Decrease) in Cash and Temporary Cash Investments(TCI)	86,648
33	Cash and TCI at Beginning of Year	20,146
34	Cash and TCI at End of Year	106,794

**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	5,992,477	36,094	-	-	6,028,571
2	Central office switching	4,317,117	33,772	-	-	4,350,889
3	Operator systems	3,274	-	-	-	3,274
4	Central office-transmission	24,700,032	559,596	(307,296)	-	24,952,332
5	Information origination/termination	215,861	-	-	-	215,861
6	Cable and wire facilities	39,275,247	417,306	(123,346)	-	39,569,207
7	Amortizable tangible assets	-	-	-	-	-
8	Intangibles	12,266	-	-	-	12,266
9	Total	74,516,274	1,046,768	(430,642)	-	75,132,400

LONG TERM DEBT SUMMARY

Name of Lender	Original Loan Amount	Balance @ Beg of Year	Balance @ End Of Year	Interest Paid	Interest Rate
Not applicable					
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	30,228,469	-
Credits:		
Credit Balance Transferred from Income	XXX	129,600
Miscellaneous Credits	XXX	-
Debits:		
Debit Balance Transferred from Income	-	XXX
Dividends Declared	273,000	XXX
Other Adjustments ¹	-	
Retained Earnings at End of Year	30,371,869	-

¹ Provide details of Any Material Accounts

**ANNUAL REPORT
of**

Northland Telephone Company of Maine, Inc.

**TO THE
STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
For the year ended December 31,
2012
OATH**

State of Kansas.
County of Ford ss.

We, the undersigned, Pat Morse and Angela Unruh
of the Northland Telephone Company of Maine, Inc. utility, on our oath do severally say that the foregoing report has
been prepared, under our direction, from the original books, papers and records of said utility, that we have carefully examined
the same, and declare the same to be a complete and correct statement of the business and affairs of said utility, in respect to
each and every matter and thing therein set forth to the best of our knowledge, information and belief; and that the accounts
and figures contained in the foregoing report embrace all of the financial operations of said utility during the period for which
said report is made.

President

Treasurer

Subscribed and sworn to before me this

27th day of March 2013

