

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,

2011

Please enter any comments and notes below.

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, 2011

Signature of Company Officer _____
responsible for this report

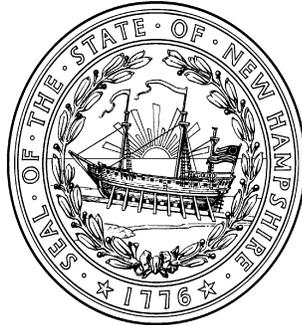
Title Senior VP

Telephone # (620) 227-4400

E-Mail lhod@fairpoint.com

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, 2011

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, 2011
Supplemental Schedule

Gross Revenues for Exchanges of East Conway and Chatham:

Local Service Revenue	68,624.04
Network Access Revenue	39,374.24
Long Distance Revenue	23,153.96
Miscellaneous Revenue	0.00
Non-regulated Revenue	<u>17,562.27</u>
 Total Gross Revenue	 \$148,714.51

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

	E. Conway Exchange	Chatham Exchange	Total
2011			
Business Access Lines	11	12	23
Residential Access Lines	76	187	263
Customers	87	199	286

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, 2012

Primary Contact – Operational Issues

Name: Elvin Lewis Title: Director, Northeast Telecom Operations

Telephone # (business hours): 207-535-4242, 8am to 5pm Mon-Fri

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

E-mail: elvin.lewis@fairpoint.com

Fax #: 207-773-7591

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: Cathy Harrington Title: Project Coordinator/AdminAsst

Telephone # (business hours): 207-535-4410, 8am to 5pm

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

E-mail: cathy.harrington@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, Northeast Telecom Operations

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

E-mail: elvin.lewis@fairpoint.com Fax #: 207-773-7591

Other contact information: Walt Levesque or 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: 2/6/2012

TABLE OF CONTENTS

Title of Schedule	Page
Instructions	3
History of Respondent	4 and 5
Balance Sheet	6 and 7
Income Statement	8
Revenues Subject to Assessment	8(a)
Statement of Cash Flows	9
Back-up Schedules	
Operations	10
Exchange Profile	11
Signature	12

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
5	45 Forest Avenue
6	Portland, ME 04101
7	3. Location of Books and Records
8	a. Customer
9	627 Route 3 South China, ME 04358
10	b. Financial
11	45 Forest Avenue Portland, ME 04101
12	4. Is respondent an individual, partnership, association or corporation?
13	Corporation
14	5. Date when utility commenced service to the public.
15	August 1994
16	6. Names and addresses of (a) ten largest stockholders or (b) partners or members of association
17	
18	
19	
20	
21	
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				
18	DIRECTORS			
19				
20	Name	Official Address	Inside or Outside Director	Date of Installation as Director
21				
22	D. Brett Ellis	521 E. Morehead St., Suite 250, Box F		
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				
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	20,146	17,366	2,780
3	Receivables	1,837,342	2,122,025	(284,683)
4	(Allowance for doubtful accounts)	(32,530)	(119,200)	86,670
5	Materials and supplies	74,974	101,500	(26,526)
6	Prepayments	4,414	24,193	(19,779)
7	Other Current Assets	20,687	59,649	(38,962)
8				
9	Total Current Assets	1,925,033	2,205,533	(280,500)
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	74,516,274	74,162,640	353,634
21	Property Held for Future Telecommunications Use	-	-	-
22	Telecommunications Plant Under Construction	355,662	451,723	(96,061)
23	Telecommunications Plant Adjustment	-	-	-
24	Nonoperating Plant	822	822	-
25	Goodwill	-	14,474,578	(14,474,578)
26				
27	Total Property, Plant and Equipment	74,872,758	89,089,763	(14,217,005)
28				
29	DEPRECIATION AND AMORTIZATION ACCOUNTS			
30	Accumulated Depreciation	(70,028,983)	(68,419,249)	(1,609,734)
31	Accumulated Depreciation - Held for Future Telecom. Use	-	-	-
32	Accumulated Depreciation - Nonoperating	-	-	-
33	Accumulated Amortization - Tangible	(832,680)	(3,516,508)	2,683,828
34				
35	Total Depreciation and Amortization Accounts	(70,861,663)	(71,935,756)	1,074,093
36				
37	Net Property, Plant & Equipment	4,011,095	17,154,006	(13,142,911)
38				
39				
40	TOTAL ASSETS	6,768,808	20,192,219	(13,423,411)

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	896,007	1,244,658	(348,651)
3	Customer's Deposits	-	-	-
4	Income Taxes - Accrued	122,774	33,574	89,200
5	Other Taxes - Accrued	189,931	217,612	(27,681)
6	Net Current Deferred Operating Income Taxes	-	-	-
7	Net Current Deferred Nonoperating Income Taxes	-	-	-
8	Other Current Liabilities	-	13,476	(13,476)
9				
10	Total Current Liabilities	1,208,711	1,509,318	(300,607)
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	(3,151,253)	(3,324,071)	172,818
21	Net Deferred Tax Liability Adjustments	-	-	-
22	Net Noncurrent Deferred Nonoperating Income Taxes	1,819,703	7,188,672	(5,368,969)
23	Deferred Tax Regulatory Adjustments - Net	-	-	-
24	Other Jurisdictional Liabilities and Deferred Credits - Net	-	-	-
25				
26	Total Other Liabilities and Deferred Credits	(1,331,550)	3,864,601	(5,196,151)
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	(30,228,469)	(22,301,817)	(7,926,652)
34				
35	Total Stockholders' Equity	6,891,647	14,818,299	(7,926,652)
36				
37				
38	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	6,768,808	20,192,219	(13,423,411)

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	5,004,688	-	-	-	5,004,688	(292,563)
2							
3	Network Access Service Revenues						
4	- End User Revenue (EUCL)		1,683,808			1,683,808	(151,252)
5	- Switched and Special Access Revenue	2,140,115	3,255,303	-	-	5,395,418	(153,229)
6	- Private Line	-	-	-	-	-	-
7	Interexchange Revenue	1,410	-	-	-	1,410	(61)
8	Miscellaneous Revenue	287,057	695,955	-	-	983,012	175,160
8a	Interconnection Charges including UNEs						
9	Nonregulated Operating Revenue	(149,308)	-	-	-	(149,308)	(1,555,722)
10	Uncollectible Revenue	(59,635)	-	-	-	(59,635)	49,419
11	Total Operating Revenues	7,224,327	5,635,066	-	-	12,859,393	(1,928,248)
	EXPENSES						
12	Network Support Expense					1,081	141
13	General Support Expense					2,226,382	(939,270)
14	Central Office Switching Expense					1,036,074	(181,376)
15	Operator Systems Expense					-	-
16	Central Office Transmission Expense					487,035	237,147
17	Information Origination/Termination Expense					-	-
18	Cable and Wire Facilities Expense					1,863,627	128,104
19	Other Property, Plant & Equipment Expenses					(952)	(952)
20	Network Operations Expenses					1,122,156	(76,265)
21	Access Expense					380,048	(95,398)
22	Depreciation and Amortization Expenses					2,016,432	118,063
23	Marketing Expense					146,534	(3,936)
24	Services Expense					675,236	(42,867)
25	General and Administrative Expense					1,931,872	232,985
26	Provision For Uncollectible/Notes Receivable					-	-
27	Total Operating Expenses					11,885,525	(623,626)
28	Other Operating (Income) and Expenses					-	-
29	Operating Taxes					543,137	(1,412,789)
30	Net Operating Income					430,731	108,167
31	Nonoperating (Income) and Expenses					11,926,006	10,305,779
32	Nonoperating Taxes					(4,684,623)	(3,916,449)
33	Interest and Related Items					-	(119)
34	Extraordinary Items					-	-
35	Total Non-operating Expenses and (Income)					7,241,383	6,389,211
35a	Total Operating and Non-operating Income					(6,810,652)	(6,281,045)
36	Income Effect of Jurisdictional Ratemaking Differences - Net					-	-
37	Nonregulated Net Income					-	-
38	NET INCOME					(6,810,652)	(6,281,045)

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)	\$5,004,688
2	Switched and Special Access Revenue - Page 8, Line 5, Column (b)	\$2,140,115
3	Private Line - Page 8, Line 6, Column (b)	\$0
4	Interexchange Revenue - Page 8, Line 7, Column (b)	\$1,410
5	Miscellaneous Revenue - Page 8, Line 8 Column (b)	\$287,057
6	Total Revenue Subject to Assessment (Sum of Lines 1 through 5)	\$7,433,270

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	(6,810,652)
3	Adjustments to Net Income	
4	Depreciation	2,016,432
5	Deferred Taxes - Net	38,962
5a	Impairment of Assets	11,790,750
6	Investment Tax Credits - Net	-
7	Change in Accounts Receivable	198,013
7a	Change in Materials and supplies	26,526
7b	Change in Prepayments	19,779
8	Change in certain other Current Assets	-
9	(list items over \$10,000 on a	
10	supplementary schedule)	
11	Net change in Accounts Payable	(287,132)
12	Changes in other Current Liabilities	(13,476)
13	Net change in Noncurrent Assets and Liabilities	(5,196,151)
14	Interest During Construction	-
15	Other (list items over \$10,000 on a	-
16	supplementary schedule)	
17	Net Cash (used in) from Operating Activities	1,783,051
18	CASH FROM INVESTING ACTIVITIES	
19	Acquisitions of Property, Plant and	
20	Equipment, net of Capital Lease Related Acquisitions	
21	and Interest During Construction	(668,161)
22	Proceeds from Disposal of Property, Plant	
23	Equipment, net of Cost of Removal	3,890
24	Investment Acquisitions, principally equity	-
25	Net Cash from (used in) Investing Activities	(664,271)
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)	(1,116,000)
31	Net Cash from (used in) Financing	(1,116,000)
32	Net Increase (Decrease) in Cash and Temporary Cash Investments(TCI)	2,780
33	Cash and TCI at Beginning of Year	17,366
34	Cash and TCI at End of Year	20,146

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__
