



Lincolnville Telephone Company
Family of companies
serving Maine's
Telecommunications needs since 1904

133 Back Meadow Road
Nobleboro, ME 04555-9254
207-563-9911



June 5, 2013

Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Universal Service Administrative Company
2000 L Street, NW, Suite 200
Washington, DC 20036

Administrative Director
Maine Public Utilities Commission
State House Station 18
Augusta, ME 04333-0018

Re: (FCC) WC Docket No. 10-90 Annual Reporting - Filings Pursuant to FCC Rule §54.313 by Tidewater Telecom, Inc.

Re: Low Income Support (Lifeline) Annual Reporting - Filings Pursuant to FCC Rule §54.422 by Tidewater Telecom, Inc.

Enclosed are information and certifications pertaining to the following FCC rule sections:

- §54.313(a)(2) through (6)
- §54.313(a)(8)
- §54.313(a)(10)
- §54.313(f)(2)
- §54.422(A)(2)

Please contact me with any questions.

Sincerely,

James A Sanborn
Controller
Tidewater Telecom, Inc.
207-563-9911
jims@lintelco.net

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Annual Reporting Requirements pursuant to:

- § 54.313(a)(2)-(6)
- § 54.313(a)(8)
- § 54.313(a)(10)
- § 54.313(f)(2)
- § 54.422(a)(2)

2012 Data

WC Docket No. 10-90

§ 54.313(a)(2) – Outage reporting

- The reporting carrier experienced no outages as described in this section. The carrier also collected outage information pursuant to state utility commission requirements, and a copy of the report to the state commission is attached.

§ 54.313(a)(3) –Unfulfilled service requests

- The reporting carrier collected this information pursuant to state utility commission requirements, and a copy of the report to the state commission is attached. There were no unfulfilled service requests.

§ 54.313(a)(4) –Customer complaints per 1,000 connections

- The reporting carrier had <1 customer complaint per 1,000 connections.

§ 54.313(a)(5) –Certification of compliance with service quality standards and consumer protection rules

- Certification is attached.

§ 54.313(a)(6) –Certification of ability to function in emergency situations

- Certification is attached.

§ 54.313(a)(8) –Affiliate and ownership information

- The affiliates and holding company of the reporting carrier are provided on the attached spreadsheet.

§ 54.313(a)(10) –Letter certifying voice pricing

- A letter certifying that the pricing of the reporting carrier's voice services is no more than two standard deviations above the applicable national average urban rate is attached.

§ 54.313(f)(2) –Annual report

- The audited annual report of the reporting carrier is attached.

§ 54.422(a)(2) –Terms and conditions of voice plans offered to Lifeline subscribers.

- The terms and conditions of voice service plans offered to Lifeline subscribers of the reporting carrier are provided on the attached spreadsheet.

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF recipients

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements of CAF recipients; and, to the best of my knowledge, the information reported on this document and in any attachments is accurate.

Signature: Shirley P. Manning

Date: 6/4/13

Shirley P Manning, President
Tidewater Telecom, Inc (Study Area Code 100003)
133 Back Meadow Road
Nobleboro, ME 04555
(207) 563-9911

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Tidewater Telecom

Service Quality

Report Period: Quarter 4 of 2012

For a description of each of the service quality measures see [glossary](#).

Performance Area	Oct	Nov	Dec	Current Quarter	Prior Quarter	2nd Quarter Prior	3rd Quarter Prior	Rolling Average
Number of Network Trouble Reports (Res and Bus)	5	3	6	14	20	30	6	17.5
Number of Lines	9382	9207	9161	27750	28436	28347	28360	28223.25
Network Trouble Report Rate per 100 Lines	0.05	0.03	0.06	0.05	0.07	0.10	0.02	0.06
Total Troubles not cleared within 24 hours (Res and Bus)	0	0	0	0	0	0	0	0
Total Number of Troubles	25	20	31	76	96	89	42	75.75
Percentage of Total Troubles not cleared within 24 hours	0%	0%	0%	0%	0%	0%	0%	0%
Total Install appts. not met comp reasons (Res and Bus)	0	0	0	0	0	0	0	0
Total Install Appointments	33	24	15	72	137	251	120	145
Percentage of Total Install appts. not met comp reasons	0%	0%	0%	0%	0%	0%	0%	0%
Total Number of Delay Days	0	0	0	0	0	0	0	0
Total Number of Missed Appts.	0	0	0	0	0	0	0	0
Average Number of Delay Days	-	-	-	-	-	-	-	-
Major Service Outage	0	0	0	0	0	1	0	Rolling Total: 1

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§ 54.313(a)(5) –Certification of compliance with service quality standards and consumer protection rules

I certify that I am an officer of the reporting carrier, my responsibilities include ensuring compliance with the applicable service quality standards as well as the consumer protection rules; and, to the best of my knowledge, the carrier is in compliance with applicable service quality standards and consumer protection rules.

Signature: *Shirley P. Manning*
Date: 6/4/13

Shirley P Manning, President
Tidewater Telecom, Inc (Study Area Code 100003)
133 Back Meadow Road
Nobleboro, ME 04555
(207) 563-9911

§ 54.313(a)(6) –Certification of ability to function in emergency situations

I certify that I am an officer of the reporting carrier and that my responsibilities include ensuring compliance with the requirements of 47 CFR 54.202(a)(2) that the carrier be able to function in emergency situations. Specifically, the reporting carrier has a reasonable amount of backup power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. I certify that the carrier is able to function in emergency situations as set forth in section 54.202(a)(2).

Signature: 

Date: 6/4/13

Shirley P Manning, President
Tidewater Telecom, Inc (Study Area Code 100003)
133 Back Meadow Road
Nobleboro, ME 04555
(207) 563-9911

SEC 54.313(a)(8)

FCC Annual Reporting
Ownership and Affiliate Information
Section 54.313(a)(8)
Tidewater Telecom, Inc.

Study Area Code: 100003
Study Area Name: Lincolnville Networks, Inc.
Program Year: 2012
Contact Information:

Jim Sanborn
133 Back Meadow Road
Nobleboro, ME 04555
(207) 563-9911
jims@lintelco.net

Reporting Carrier: Tidewater Telecom, Inc.
Holding Company: Lincolnville Telephone Company (100% owner of Reporting Carrier)
Operating Company: Tidewater Telecom, Inc.

Affiliates: Lincolnville Networks, Inc. SAC 100003
Coastal Telco Services, Inc.
Lincolnville Communications, Inc.

All affiliates are 100% owned by Lincolnville Telephone Company



Lincolnville Telephone Company

Family of companies
serving Maine's
Telecommunications needs since 1904

133 Back Meadow Road
Nobleboro, ME 04555-9254
207-563-9911



June 3, 2013

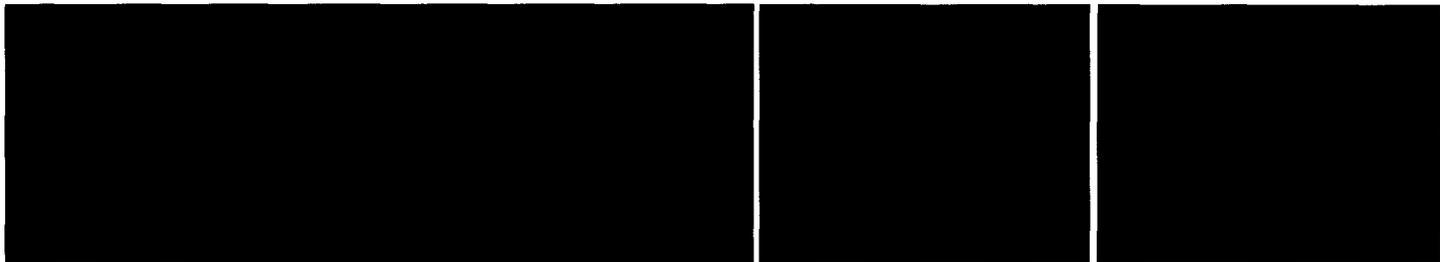
Office of the Secretary
Federal Communications Commission
445 12th Street, NW, SW
Washington, DC 20554

Re: (FCC) WC Docket No. 90-10 Letter Pursuant to FCC Rules §54.313(a)(10) for Lincolnville Networks, Inc. and Tidewater Telecom, Inc.

The above referenced companies certify that the pricing of their voice services are not more than two standard deviations above the applicable national average urban rate for voice service, as specified in the most recent public notice issued by the Wireline Competition Bureau.

Signature: 
Date: 6/4/13

Shirley P Manning, President
Lincolnville Networks, Inc (Study Area Code 100003)
Tidewater Telecom, Inc. (Study Area Code 100003)
133 Back Meadow Road
Nobleboro, ME 04555
(207) 563-9911



TIDEWATER TELECOM, INC.

FINANCIAL STATEMENTS

December 31, 2012 and 2011

With Independent Auditor's Report





INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Tidewater Telecom, Inc.

We have audited the accompanying financial statements of Tidewater Telecom, Inc. (a wholly-owned subsidiary of Lincolnville Telephone Company), which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements income and accumulated deficit, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tidewater Telecom, Inc. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
March 13, 2013

TIDEWATER TELECOM, INC.
(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)

Balance Sheets

December 31, 2012 and 2011

	ASSETS	
	<u>2012</u>	<u>2011</u>
Current assets		
Cash and cash equivalents	\$ 507,883	\$ 847,021
Accounts receivable, net of allowance for doubtful accounts of approximately \$17,000 in 2011	951,687	819,176
Materials and supplies	660,137	637,022
Prepaid expenses and other current assets	9,210	4,079
Due from related parties	<u>1,367,170</u>	<u>1,361,393</u>
Total current assets	<u>3,496,087</u>	<u>3,668,691</u>
Property, plant and equipment, at cost		
Land and buildings	6,439,185	6,390,039
Central office equipment	16,440,504	16,336,760
Cable and wire facilities	27,872,279	27,761,377
Other equipment	1,707,204	1,644,387
Telecommunications plant under construction	<u>1,808</u>	<u>55,672</u>
	<u>52,460,980</u>	<u>52,188,235</u>
Less accumulated depreciation	<u>33,008,770</u>	<u>31,222,060</u>
Net property, plant and equipment	<u>19,452,210</u>	<u>20,966,175</u>
Noncurrent assets		
Investments in nontraded stocks	177,828	170,715
Intangible, net	<u>8,045,991</u>	<u>8,359,983</u>
Total noncurrent assets	<u>8,223,819</u>	<u>8,530,698</u>
	<u>\$ 31,172,116</u>	<u>\$ 33,165,564</u>

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND STOCKHOLDER'S EQUITY

	<u>2012</u>	<u>2011</u>
Current liabilities		
Accounts payable	\$ 54,358	\$ 87,267
Accrued expenses and other current liabilities	<u>149,936</u>	<u>222,655</u>
Total current liabilities	204,294	309,922
Deferred income taxes	<u>9,108,500</u>	<u>9,681,900</u>
Total liabilities	<u>9,312,794</u>	<u>9,991,822</u>
Commitments and contingencies (Notes 6 and 7)		
Stockholder's equity		
Common stock, no par value; 10,000 shares authorized; 1,853 shares issued and outstanding	-	-
Paid-in capital	24,824,759	24,824,759
Accumulated deficit	<u>(2,965,437)</u>	<u>(1,651,017)</u>
Total stockholder's equity	<u>21,859,322</u>	<u>23,173,742</u>
	\$ 31,172,116	\$33,165,564

TIDEWATER TELECOM, INC.
(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)

Statements of Income and Accumulated Deficit

Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenues		
Basic local network services	\$ 2,775,042	\$ 2,875,629
Network access services	3,586,386	3,644,819
Miscellaneous	347,177	313,582
Uncollectible revenues, net of recoveries	<u>(4,179)</u>	<u>(23,535)</u>
Total operating revenues	<u>6,704,426</u>	<u>6,810,495</u>
Operating expenses		
Plant specific operations	1,275,616	1,189,403
Plant nonspecific operations	851,592	830,028
Depreciation and amortization	2,187,694	2,289,827
Customer operations	737,274	739,972
Corporate operations	<u>1,433,704</u>	<u>1,463,905</u>
Total operating expenses	<u>6,485,880</u>	<u>6,513,135</u>
Operating taxes		
Federal and state income taxes	600	13,200
Other operating taxes	<u>219,354</u>	<u>264,598</u>
Total operating taxes	<u>219,954</u>	<u>277,798</u>
Net operating (loss) income	<u>(1,408)</u>	<u>19,562</u>
Other income (expense)		
Interest and dividends	11,479	16,257
Other, net	(500)	650
Income taxes	<u>(4,400)</u>	<u>(7,000)</u>
Net other income	<u>6,579</u>	<u>9,907</u>
Net income	5,171	29,469
Accumulated deficit, beginning of year	(1,651,017)	(174,653)
Less dividends	<u>(1,319,591)</u>	<u>(1,505,833)</u>
Accumulated deficit, end of year	<u>\$ (2,965,437)</u>	<u>\$ (1,651,017)</u>

The accompanying notes are an integral part of these financial statements.

TIDEWATER TELECOM, INC.
(A Wholly-Owned Subsidiary of Lincolville Telephone Company)

Statements of Cash Flows

Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Net income	\$ 5,171	\$ 29,469
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	2,187,694	2,289,827
Deferred income taxes	(573,400)	(513,000)
Accretion of patronage capital certificates	(7,113)	(6,828)
Decrease (increase) in		
Accounts receivable	(132,511)	36,442
Materials and supplies	(23,115)	(2,263)
Due from affiliates	(5,777)	65,722
Prepaid expenses and other current assets	(5,131)	(3,239)
Increase (decrease) in		
Accounts payable	(32,909)	(1,639)
Accrued expenses and other current liabilities	(72,719)	31,469
Net cash provided by operating activities	<u>1,340,190</u>	<u>1,925,960</u>
Cash flows from investing activities		
Extension and replacement of telecommunications plant	<u>(359,737)</u>	<u>(395,732)</u>
Net cash used by investing activities	<u>(359,737)</u>	<u>(395,732)</u>
Cash flows from financing activities		
Payment of dividends	<u>(1,319,591)</u>	<u>(1,505,833)</u>
Net cash used by financing activities	<u>(1,319,591)</u>	<u>(1,505,833)</u>
Net (decrease) increase in cash and cash equivalents	<u>(339,138)</u>	24,395
Cash and cash equivalents, beginning of year	<u>847,021</u>	<u>822,626</u>
Cash and cash equivalents, end of year	<u>\$ 507,883</u>	<u>\$ 847,021</u>

The accompanying notes are an integral part of these financial statements.

TIDEWATER TELECOM, INC.
(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)

Notes to Financial Statements

December 31, 2012 and 2011

Nature of Operations

Tidewater Telecom, Inc. (the Company), a wholly-owned subsidiary of Lincolnville Telephone Company (its Parent), derives its operating revenues primarily from providing telecommunications and broadband services in Maine. The Company extends credit at standard terms, after appropriate review, to its subscribers and domestic interexchange carriers. Telecommunications services are subject to varying degrees of regulation by the Federal Communications Commission (FCC) and the Maine Public Utilities Commission (MPUC).

1. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Regulatory Accounting

The Company is subject to regulation of rates and other matters by the FCC and the MPUC. The Company follows the accounting prescribed by the Uniform System of Accounts of the FCC and the MPUC and Financial Accounting Standards Board Accounting Standards Codification (ASC) 980, *Regulated Operations*. This accounting recognizes the economic effects of rate regulation by recording costs and a return on investment, as such amounts are recovered through rates authorized by regulatory authorities. The Company annually reviews the continued applicability of ASC 980 based on the current regulatory and competitive environment.

Cash and Cash Equivalents

All liquid investments with an original maturity of three months or less are considered to be cash equivalents. The Company maintains its cash in bank accounts which may exceed federally insured limits; however, the Company's policy is to invest cash in excess of those limits in government-backed securities or accounts collateralized by bank-owned U.S. government securities or surety bonds. The Company has not experienced any losses in such accounts, and believes it is not exposed to any significant risk with respect to these accounts.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

TIDEWATER TELECOM, INC.
(A Wholly-Owned Subsidiary of Lincolnton Telephone Company)

Notes to Financial Statements

December 31, 2012 and 2011

Materials and Supplies

Materials and supplies are valued at the lower of first-in, first-out (FIFO) cost or market.

Depreciation

Depreciation is computed on average plant investment by primary plant accounts using the straight-line method over the estimated useful lives of the assets. The Company assesses the estimated remaining useful lives of assets on an annual basis.

Capitalization Policy

Additions to plant and replacements of retirement units of property are capitalized at original cost, which includes labor, material and overhead, and direct charges such as equipment costs.

Investments in Nontraded Stocks

The Company owns Rural Telephone Finance Cooperative (RTFC) Patronage Capital Certificates (PCCs) that are recorded at their present value. The Company is accreting the PCCs to face value over a period of ten to twenty-five years, based on the expected repayment dates. These PCCs are included in investments in nontraded stocks in the balance sheet and the annual accretion is included in interest and dividend income in the statement of income.

Intangible Asset Subject to Amortization

The intangible asset subject to amortization consists of a franchise license which is being amortized by the straight-line method over the asset's estimated useful life of thirty years.

Sales Taxes

The Company reports sales taxes on a net basis; accordingly, they are recorded as a liability when collected from customers and excluded from revenues and expenses.

Income Taxes

Deferred income taxes are provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

The Company files a consolidated tax return with its Parent. Income taxes are allocated to the Company based on the statutory rates of the consolidated group applied to its separate income before income taxes.

As of December 31, 2012, tax years 2009 through 2011 remain subject to examination by federal and state authorities.

TIDEWATER TELECOM, INC.
(A Wholly-Owned Subsidiary of Lincolnton Telephone Company)

Notes to Financial Statements

December 31, 2012 and 2011

Revenue Recognition

Operating revenues are recognized when services are provided to customers.

Interstate network access revenues are based on estimates of the telephone plant investment, operating expenses, and allowable rates of return on investments allocable to those services. Nationwide pooling of the revenues is administered by National Exchange Carrier Association (NECA), of which the Company is a member. NECA files interstate access charge tariff schedules with the FCC and accumulates and distributes pooled revenues, derived from interstate access services, to its members. The Company records the effect of NECA settlements, including retroactive adjustments, if applicable, upon notification of such settlements from NECA.

Intrastate network access service revenues result from charges to interexchange carriers based on applying intrastate access tariffed rates to intrastate access usage.

Effective July 1, 2012, interstate and intrastate terminating network access revenues were set at predetermined levels subject to the provisions of the FCC Order on Intercarrier Compensation and Universal Service Fund. The effect will be to reduce these network access revenues over a ten year period.

Subsequent Events

For purposes of preparation of these financial statements in conformity with U.S. generally accepted accounting principles, the Company has considered transactions or events occurring through March 13, 2013, which was the date the financial statements were available to be issued.

2. Telecommunications Plant Adjustment

A telecommunications plant adjustment of \$17,332,256, net of accumulated amortization of \$4,282,366 and \$3,303,538 at December 31, 2012 and 2011, respectively, which is included in property, plant and equipment in the balance sheet, is a regulatory adjustment representing the difference between the fair value of the property, plant and equipment acquired and the original cost of the plant, less the associated depreciation. The Company is amortizing the adjustment over a period of seven to thirty years which approximates the estimated remaining useful lives of the underlying assets. Amortization expense included in depreciation and amortization expense in the statement of income was \$978,828 in 2012 and 2011. This amortization is not recoverable through rates, as mandated by a stipulated agreement with the MPUC.

3. Investment in Nontraded Stocks

Investment in nontraded stocks consists of RTFC PCCs. The noncash PCCs accrete on an annual basis and will be redeemed at their face value through 2035. Total accretion in 2012 and 2011 was \$7,113 and \$6,828, respectively. Total PCCs received through December 31, 2012 and 2011 amounted to a face value of \$312,806 and recorded present value of \$177,828 and \$170,715, respectively.

TIDEWATER TELECOM, INC.
(A Wholly-Owned Subsidiary of Lincolnton Telephone Company)

Notes to Financial Statements

December 31, 2012 and 2011

4. Intangible Asset Subject to Amortization

The intangible asset consists of a franchise license of \$9,419,705, net of accumulated amortization of \$1,373,714 and \$1,059,722 at December 31, 2012 and 2011, respectively. Amortization expense approximated \$314,000 in 2012 and 2011. Estimated amortization expense through 2017 is as follows:

2013		\$	314,000
2014			314,000
2015			314,000
2016			314,000
2017			314,000

5. Income Taxes

The actual tax expense differs from that computed at a federal rate of 34% primarily because of state income taxes and state high-tech credits.

The components of income tax expense (benefit) at December 31 are as follows:

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
<u>2012</u>			
Federal income tax	\$ 452,400	\$ (449,800)	\$ 2,600
State income tax	<u>126,000</u>	<u>(123,600)</u>	<u>2,400</u>
	<u>\$ 578,400</u>	<u>\$ (573,400)</u>	<u>\$ 5,000</u>
<u>2011</u>			
Federal income tax	\$ 398,200	\$ (382,900)	\$ 15,300
State income tax	<u>135,000</u>	<u>(130,100)</u>	<u>4,900</u>
	<u>\$ 533,200</u>	<u>\$ (513,000)</u>	<u>\$ 20,200</u>

Amounts payable to the parent for current income taxes are included in due from related parties at December 31, 2012 and 2011.

The income tax (benefit) expense is allocated for the years ended December 31 as follows:

	<u>2012</u>	<u>2011</u>
Operating income	\$ 600	\$ 13,200
Other income	<u>4,400</u>	<u>7,000</u>
	<u>\$ 5,000</u>	<u>\$ 20,200</u>

TIDEWATER TELECOM, INC.
(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)

Notes to Financial Statements

December 31, 2012 and 2011

The components of the deferred tax liability (asset) at December 31 are as follows:

	<u>2012</u>	<u>2011</u>
Temporary differences related to:		
Depreciation and amortization	\$ 9,162,500	\$ 9,762,000
Other	<u>(54,000)</u>	<u>(80,100)</u>
	<u>\$ 9,108,500</u>	<u>\$ 9,681,900</u>

6. Regulatory Matter

In November 2007, CRC Communications of Maine, Inc. (CRC), in order to facilitate competitive entry by Time Warner Cable Information Services (Maine), LLC (TWCIS), petitioned the MPUC to arbitrate interconnection agreements between CRC and the independent telephone company subsidiaries. In May 2008, the MPUC ruled that it did not have the authority to arbitrate an interconnection agreement unless the rural exemptions of the independent telephone companies were first terminated. The MPUC then opened proceedings to consider a petition by CRC to lift the rural exemption, so as to to open the way for CRC and TWCIS to provide local exchange service in the territories currently served by the Company. In order to grant a request to lift the rural exemption, the MPUC would have to determine doing so was: i) not unduly economically burdensome on the incumbent local exchange carrier (ILEC) impacted by the exemption, ii) technically feasible, and iii) consistent with the universal service provisions of the Telecommunications Act of 1996 (the Telecom Act). In late 2008, the MPUC ruled CRC and TWCIS had not provided sufficient evidence to substantiate their requests and dismissed them; however, the MPUC allowed CRC and TWCIS the option to file renewed petitions provided they present detailed analyses on the economic impact on the ILECs involved. CRC filed a renewed petition in early 2009. In June 2010, the MPUC ruled the impact of lifting the rural exemption and permitting TWCIS and CRC to provide local exchange service in the ILEC territories would be unduly economically burdensome to the Company and denied CRC's petition.

In July 2010, TWCIS filed a petition with the FCC to overturn the MPUC's May 2008 ruling. In May 2011, the FCC issued its decision, which overruled the MPUC's May 2008 ruling and required that the MPUC must consider a petition for arbitration of certain types of interconnection, even if the rural exemption was in effect.

The ILECs received requests to negotiate interconnection agreements from CRC and TWCIS in June 2011 and September 2011, respectively. In August 2011 and October 2011, the ILECs filed petitions with the MPUC under Section 251(f)(2) of the Telecom Act to request suspension of their obligations to interconnect with CRC and TWCIS, respectively. In February 2012 and March 2012, CRC and TWCIS, respectively, filed petitions with the MPUC for arbitration of interconnection agreements with the ILECs. On March 30, 2012, the MPUC issued its order dismissing the ILECs' petitions for suspension of interconnection obligations. The ILECs filed an appeal of this dismissal with the Maine Supreme Judicial Court. This appeal is presently on hold pending resolution of related proceedings still ongoing at the MPUC.

TIDEWATER TELECOM, INC.
(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)

Notes to Financial Statements

December 31, 2012 and 2011

In April 2012, CRC withdrew its request for arbitration and ceased to participate in the ongoing proceedings. TWCIS continued to pursue its petition for arbitration.

In May 2012, the ILECs filed new petitions with the MPUC for suspension under Section 251(f)(2) of any obligation to provide local number portability ("LNP") to TWCIS. In June 2012, the MPUC granted the ILECs' request for an interim suspension of LNP obligations pending resolution of the suspension proceedings. On January 10, 2013, the MPUC conducted deliberations in the suspension proceedings regarding a recommendation of its Staff that the Commission deny the suspension petitions. The MPUC voted to deny the suspension petition, but the MPUC has not yet issued a written decision in the suspension proceedings.

In December 2012, the MPUC issued its decision in the arbitration proceedings, ordering the ILECs to enter into arbitrated interconnection agreements which were approved by the MPUC. In January 2013, the ILECs filed a petition for reconsideration and a motion for a stay of the MPUC's decision. On January 29, 2013, the MPUC conducted deliberations on the petition for reconsideration and the motion for stay. The Commission voted to deny the petition and the motion, but the MPUC has not yet issued a written decision.

During January 2013, deliberations in the suspension proceedings and in the arbitration proceedings, the Commissioners ordered a delay to June 30, 2013, of the denial of the suspension petitions and the effectiveness of the arbitrated interconnection agreements. The future impacts, if any, on the regulated operations, revenues and expenses of the Company are unknown at this time.

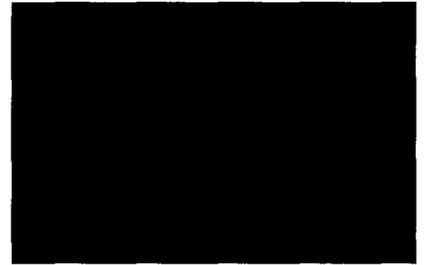
7. Related Parties

The Company provides to and receives from related parties through common ownership various network, management, and operation services under an intercompany management services agreement, which has been approved by the MPUC. Charges between these related parties approximated:

	<u>2012</u>	<u>2011</u>
Provided to:		
Coastal Telco Services, Inc.	\$ 728,000	\$ 726,000
Lincolnville Communications, Inc.	292,000	299,000
Received from:		
Coastal Telco Services, Inc.	\$ 3,735,000	\$ 3,679,000

The Company, its Parent and its subsidiaries' assets are collateral in a loan agreement entered into by its Parent. The loan is due in quarterly installments through June 30, 2018, when the balance is due in full. The Parent's outstanding balance on the loan was \$19,169,822 and \$21,200,000 at December 31, 2012 and 2011, respectively. The Company does not presently expect to be required to perform on its obligations under the loan agreement.





SECTION 54,422(4)(2)

Tidewater Telecom, Inc.
Provider of Last Resort Retail Service
Schedule of Rates, Terms and Conditions

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Original

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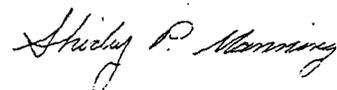
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DEFINITIONS

Access Line - The facilities from the Telephone Company's Central Office up to and including the Company-provided Network Interface or First Point of Connection located on the Customer's Premises.

Authorized User - The term "Authorized User," as used in connection with retail Provider of Last Resort Service, denotes those individuals authorized by the Telephone Company to use a Customer's telephone service. It includes the members of the same household, employees or agents of the Customer, and residential tenants of hotels, clubs, etc.

Central Office - A switching unit in a telephone system which provides service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting Customer lines and Trunks or Trunks only. There may be more than one Central Office in a building or Exchange.

Class of Service - The various categories of service generally available to the Customer, such as Business or Residential service.

Commission - The Maine Public Utilities Commission

Company - Tidewater Telecom, Inc., as applicable, a corporation engaged in the business of furnished telephone service to the public under the jurisdiction of the Maine Public Utilities Commission.

Connection Charge - See "Service Connection Charge."

Continuous Property - The plot of ground, together with any buildings thereon, occupied by the Customer, which is not divided by public highways or separated by property occupied by others. Where a Customer occupies property on both sides of a street, alley, highway, body of water, railroad right-of-way, etc., and the properties would otherwise be continuous, such properties are treated as Continuous Property provided local wire or cable facilities are used and the Customer furnishes all local distribution pole line facilities or underground conduit required in connection therewith.

Contract - Refers to the agreement, either written or verbal, between a Customer and the Company under which service and facilities are furnished in accordance with the applicable provisions of the Schedules as approved by the Maine Public Utilities Commission.

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Customer - The individual, partnership, association, corporation or other entity which contracts for telephone service and is responsible for the payment of charges and compliance with the terms and conditions of the Company.

Demarcation Point - The point of interconnection or demarcation between Telephone Company communication facilities and customer-premises wire or Terminal Equipment at a Subscriber's Premises. The demarcation point between Company facilities and Customer premise wire on the Subscriber's side of the Company's protector (or the equivalent thereof in cases where a protector is not employed) at the Network Interface, or if there is no Network Interface, at, but not including, the protector or equivalent.

Exchange - A basic geographical unit established for the administration of telephone service in a specific area, called the "Exchange Area", which usually embraces a city, town or village, and its environs. It may consist of one or more Central Offices, together with the associated plant, equipment, and facilities used in furnishing communication service within the area.

Exchange Area - The territory served by an Exchange.

Home Exchange - The Exchange in which the customer is located and service is provided.

Initial Service Period - The minimum length of time for which a Customer is obligated to pay for service, facilities, and equipment, whether or not retained by the Customer for such minimum length of time.

Installation Charge - See Service Connection Charge.

Local Service Area - The area within which telephone service is furnished under a specific schedule of rates without the application of specific charges for each Message.

Message - A completed communication between two telephone numbers.

Minimum Contract Period - The minimum length of time for which a Customer is obligated to pay for service, facilities and equipment, whether or not retained by the Customer for such minimum length of time.

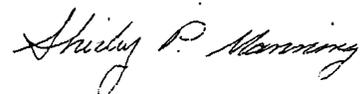
Move Charge - Service charges a Customer is required to pay when, at the Customer's request, the Customer's service is continued under the same or superseding Contract at a different location on the same Premises.

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Network Interface - A specifically designated standard FCC Registration Program jack that is installed by the Telephone Company as part of the Access Line on a Customer's Premises at a location determined by the Company which is accessible to the Customer; or similar device provided by the Customer on the Customer's side of the protector in the vicinity of the protector and accessible to the Customer. The Network Interface is located on the Customer's Premises and serves as the point of connection for all Premises services to the telecommunications network.

Premises - The buildings, portion or portions of a building or buildings on Continuous Property used and/or occupied at one time by the Customer in the conduct of this business or as a residence.

Provider of Last Resort Retail Service - A retail service taken by a customer of the Company that consists of Residential Economy Service, Residential Premium Service, Business Economy Service, or Business Premium Service as set forth in this Schedule.

Schedule - The rates, charges, rules, regulations, and separately filed franchise area maps adopted and filed by the Company and approved by the Maine Public Utilities Commission.

Service Connection Charge - The charge or charges that apply to the establishment of telephone service or subsequent modifications to that service. For example, Service Connection Charges include: 1) Initial Connection Charge, 2) Secondary Service Order Charge, and 3) Central Office Work Charge (see Section 3).

Serving Exchange - The Exchange in which the serving Central Office is located.

Subscriber - See Customer.

Switch - A unit of dial switching equipment which provides interconnection between Station lines or Trunks.

Tariff - See Schedule.

Telephone Company - See Company.

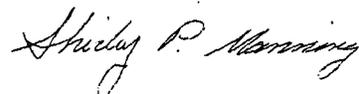
Termination Charge - A charge applied under certain conditions, when a Contract for service is terminated by the Customer before the expiration of the Minimum Contract Period.

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GENERAL PROVISIONS

2.1 Compliance With Commission Rules

Tidewater Telecom, Inc. agrees to comply with all Rules of the Maine Public Utilities Commission to the extent they apply to Provider of Last Resort service, including but not limited to:

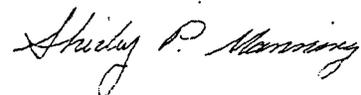
- Chapter 110: Rules of Practice and Procedure;
- Chapter 120: Filing Requirements for Rates, Terms and Conditions;
- Chapter 130: Safety and Accident Reporting;
- Chapter 140: Utility Service Area and Infrastructure Maps;
- Chapter 200: Reporting Requirements for Telecommunications Carrier's Service Outages;
- Chapter 210: Uniform System of Accounts for Telephone Utilities;
- Chapter 285: Maine Telecommunications Education Access Fund;
- Chapter 288: High Cost Universal Service Fund;
- Chapter 290: Standards for Billing, Credit and Collection and Customer Information;
- Chapter 296: Selection of Preferred Telecommunications Carriers and the Imposition of Preferred Carrier Freezes;
- Chapter 297: Anti-Cramming Rule;
- Chapter 870: Late Payment Charges, Interest Rates to be Paid on Customer Deposits, and Charges for Returned Checks;
- Chapter 880: Attachment to Joint-Use Utility Poles; Determination and Allocation of Costs; Procedure;
- Chapter 89: Confidentiality of Customer Records;
- Chapter 895: Underground Facility Damage Prevention Requirements.

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2.2 Application of Terms and Conditions.

- A. The terms and conditions set forth herein apply to intrastate retail provider of last resort service furnished within the State of Maine by Tidewater Telecom, Inc., hereinafter referred to as the Company, subject to the jurisdiction of the Maine Public Utilities Commission.

Exchanges Served by Tidewater Telecom, Inc.

Bremen
Damariscotta
New Harbor
Sheepscot
South Bristol
Union

- B. When services are provided in part by the Company and in part by other companies, the terms and conditions of the Company apply to that portion of the service furnished by the Company.

2.3 Equipment Provision

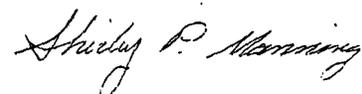
- A. Company shall own the Network Interface and any associated facilities for provisioning service to a customer location.
- B. No equipment, apparatus, Circuit, or device not furnished by the Company shall be directly attached or connected electrically with the facilities furnished by the Company, except as provided in this Schedule, or otherwise authorized in writing by the Maine Public Utilities Commission. In no event may any equipment, apparatus, or device be connected in any manner with the facilities furnished by the Company unless the connection of such equipment, apparatus, or device complies with the provisions of Part 68 of the Rules of the Federal Communications Commission. In case any such unauthorized attachment or connection is made, the Company shall have the right to remove or disconnect the same, or to terminate the service.
- C. The provisions of the preceding shall not be construed or applied to bar a Customer from using devices which serve the Customer's convenience in the Customer's use of the facilities of the Company provided any such device so used does not:

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1. Endanger the safety of the Company employees or the public;
 2. Damage, require change in or alteration of, or involve direct electrical connection to, the equipment or other facilities of the Company, unless as provided for elsewhere in this Schedule;
 3. Interfere with the proper functioning of such equipment or facilities;
 4. Impair the operation of the communication system;
 5. Otherwise injure the public in its use of the Company's services.
- D. Except as otherwise provided in this Schedule, nothing herein shall be construed to permit the use of a recording device, or of a device to interconnect any line or Channel of the Company with any other communication line or Channel of the Company or of any other person.

2.4 Minimum Contract Period

- A. Except as specified elsewhere in this Schedule, the Minimum Contract Period is one month from the date service or additions to service are established and the minimum charge is the authorized rate for one month. For purposes of rate administration each month is considered to have 30 days.
- B. The Company may require a Contract period longer than one month at the same location in connection with special types or arrangements of equipment or for unusual construction necessary to meet specific demands for service.

2.5 Abuse or Fraudulent Use of the Service

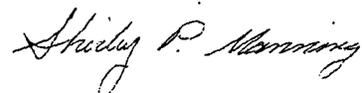
- A. The service is furnished subject to the condition that there will be no abuse or fraudulent use of the service. Abuse or fraudulent use of service includes:
 1. The use of service or facilities of the Company to transmit a Message or to locate a person or otherwise to give or obtain

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information, without payment of the charge applicable for such service;

2. The obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain service, by rearranging, tampering with, or making connection with any facilities of the Company, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or in part, of the regular charge for such service;
3. The use of service or facilities of the Company for a call or calls, anonymous or otherwise, if in a manner reasonably to be expected to frighten, abuse, torment, or harass another;
4. The use of the service in such manner as to interfere unreasonably with the use of the service by one or more other Customers; and/or
5. The impersonation of another.

B. Service may be discontinued if there is abuse or fraudulent use of service as outlined in 2.5.A.

2.6 Use of the Service for Unlawful Purposes

The service is furnished subject to the condition that it shall not be used for any unlawful purposes. If Company determines that customer is using service provided by the Company for unlawful purposes, Company reserves the right to disconnect Customer's service. Any Customer whose service is to be discontinued will be notified by the Company of that Customer's or applicant's right to bring a complaint before the Maine Public Utilities Commission to determine whether or not such service is being used in violation of this rule. Upon complaint to the Commission by any applicant or Customer who is affected by the refusal of discontinuance of service in accordance with this rule, such service shall be provided, continued or restored if the Commission shall determine that the service has not been used in violation of this rule.

2.7 Telephone Numbers

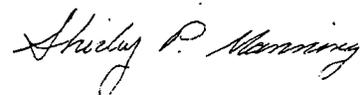
A. Customer has no ownership right for, or property right to, the telephone

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number associated with the service provided pursuant to this Schedule nor any right to continuance of service through any particular Central Office.

- B. Company reserves the right to change the Customer's telephone number or the Central Office associated with such number, or both, upon 30 days written notice, as may be required for the proper conduct of its business.

2.8 Maintenance and Repair Obligations

- A. Whenever it is determined that the Customer is responsible for damage to or loss of Telephone Company-provided equipment, the Customer will be billed for the Cost of such equipment. Customer shall not be deemed responsible for acts of God or unavoidable accidents.
- B. Access to Customer's Premises, at any reasonable hour, will be given to representatives of the Company for the purpose of inspecting, repairing, testing or removing any part of the Company's facilities.

2.9 Directory Listings

If the Company publishes a telephone directory, the Company will include a single listing within the published directory indicating the name, address, and telephone number of each Provider of Last Resort Retail Service customer. Customers who do not wish to be listed in the Company's published directory or who wish to be listed in a manner other than the standard format provided by the Company may obtain a modification of their directory listing by entering into an alternate listing agreement with the Company pursuant to the Rates, Terms and Conditions set forth on the Company's publicly accessible web site.

2.10 Line Extensions

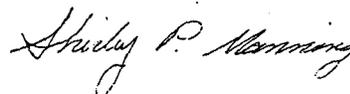
In the event a customer location requires a line extension to connect the customer location to the public switched telephone network, Company shall provide such a line extension pursuant to the Rates, Terms and Conditions for Line Extensions set forth on the Company's publicly accessible web site.

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2.11 Interest Rates

Company shall charge the maximum interest rate authorized pursuant to Chapter 870 of the Commission's Rules for any Deposits, Late Payments, or Returned Checks associated with a customer's Provider of Last Resort Retail Service.

2.12 Limitation of Liability

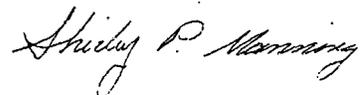
- A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays or errors or defects in transmission occurring in the course of furnishing service and not caused by negligence of the Customer shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays or errors or defects in transmission occur, based upon these factors being reported to the Company's Repair Department and allowance of 24 hours for repairs.
- B. The Customer indemnifies and saves the Company harmless against the following:
1. Acts or omissions of other companies when their facilities are used in connection with the Company's facilities to provide service.
 2. Any defacement or damage to the Customer's Premises resulting from the existence of the Company's instruments, apparatus and associated wire on such Premises, or from the installation or removal thereof, when such defacement or damage is not the result of the negligence of the Company or its employees.
 3. Any accident, injury or death occasioned by its equipment or facilities, when such is not due to negligence of the Company.
 4. Claims for libel, slander, or infringement of copyright arising from the material transmitted or recorded over its facilities; claims for infringement of patents arising from combining with, or using in connection with, facilities of the Company, apparatus and systems of the Customer; and against all other claims arising out of any act or omission of the Customer in connection with facilities provided by the Company.

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5. Liability for failure to provide service (as per Section 2.12.A).

2.13 Intrastate Surcharges and Taxes

Company shall charge and collect all applicable taxes and surcharges on intrastate retail services offered pursuant to this Schedule, including but not limited to the following:

A. Enhanced Universal Emergency Number Service

E911 Surcharge as provided in 25 MRSA Section 2927 applies per month on each Residence and Business provider of last resort service accounts.

B. Maine Telecommunications Education Access Fund Surcharge

A Maine Telecommunications Education Access Fund (MTEAF) surcharge as provided in 35-A MRSA section 7104-B applies per month as a percentage, established by the Commission, of each Residence and Business Customer's bill for all intrastate retail charges for telecommunications service.

C. Maine Universal Service Fund (MUSF) Surcharge

A surcharge for the Maine Universal Service Fund (MUSF) applies to all intrastate services billed to a retail Customer for bills rendered after May 15, 2003. The surcharge shall not apply to surcharges such as those for Enhanced 911, the Maine Telecommunications Education Access Fund, or similar funds. The surcharge shall be equal to the Revenue Percentage established quarterly by the Administrator of the MUSF.

D. Service Provider Tax Surcharge

Consistent with Title 36MRSA c. 358, Section 2552, a Service Provider Tax surcharge will be applied monthly on the value of telecommunications services billed, and identified as such beginning with bills rendered on or after July 1, 2004. The amount of the surcharge is an equivalent pass-through of the charges assessed to the Company pursuant to Title 36MRSA c. 358, Section 2552.

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E. ConnectME Surcharge

The ConnectME surcharge applies to retail Customer bills rendered after September 15, 2007. The surcharge shall be equal to a percentage, established by the ConnectME Fund Administrator, of communications services as defined by Chapter 101 of the Rules of the ConnectME Authority.

2.14 Payment for Service

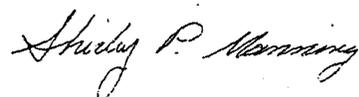
The Customer is responsible for payment to the Company for all charges in conjunction with the services furnished by the Company to the Customer in accordance with this Schedule of Rates, Terms, and Conditions.

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SERVICE CHARGES

3.1 General

- A. Service Charges apply to services or equipment ordered or connected into service at the Customer's request including initial connections, moves, and restoration of service. Certain items of equipment in this Tariff are listed with an Installation Charge. This Installation Charge is applied in addition to the appropriate Service Charges listed below.
- B. Service charges apply in addition to, but not in lieu of charges which may be incurred in installations of a temporary or speculative nature.
- C. Service charges are comprised of the following work functions, one or more of which is applicable based upon the service or equipment requested by a Customer.

1. Initial Connection Charge

Applicable for work performed by the Telephone Company in connection with the initial establishment of or restoration of provider of last resort retail service.

2. Secondary Service Order Charge

Applicable for work performed by the Telephone Company in association with connections, moves or changes to an established provider of last resort retail service

3. Central Office Work Charge

Applicable for functions required within the Central Office.

3.2 Rates

	<u>Nonrecurring Charge</u>	
	<u>Business</u>	<u>Residence</u>
A. Initial Connection Charge	\$38.00	\$38.00
B. Secondary Service Order Charge	\$4.40	\$4.40
C. Central Office Work Charge, Per Line.	\$6.00	\$6.00

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3.3 Application of Service Charges

- A. The Initial Connection Charge is applicable for requests for:
1. Initial connection of provider of last resort retail service
 2. Transfer of provider of last resort retail service involving a request for a final bill or, if a final bill is not requested, a refusal of the future Customer to accept full responsibility for the former Customer's account.
- B. The secondary service order charge is applicable for subsequent Customer requests for connections, moves or changes to an established provider of last resort retail service.
- C. The Initial Connection Charge and the secondary service order charge cannot be applied on the same order. When an order requires work for which both the Initial Connection Charge and secondary service order charge would otherwise be applied, only the Initial Connection Charge is applicable.
- D. The Central Office work charge does not apply for transfer of service when there is no lapse in service.
- E. Discontinuance of Service for Nonpayment
- An Initial Connection Charge will apply for restoration of service following disconnection for nonpayment.
- F. The charges specified herein do not contemplate work performed by Telephone Company employees when work is interrupted by the Customer. If the Customer interrupts work once begun, the following labor rates apply in addition to the Initial Connection Charge:

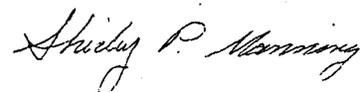
First 30 minutes	\$50.00
Each additional 30 minutes	\$15.00

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- G. In the case of equipment for which the initial Contract (termination agreement) period is more than one month at the same location, the Subscriber may arrange for the change of location on the same or to different Premises in the same Exchange area by one of the following methods:
1. By terminating the Contract for service at the old location, and signing a new application. In this case the Subscriber is required to pay the sum of any Termination Charges which may be applicable plus the Installation Charges which would apply in the case of a new installation.
 2. By paying the Cost of making the change in location including the Cost of removing all the equipment from the old locations and the Cost of installing the equipment at the new locations. In this case the Contract period is not affected.
- H. "Cost" as used in this section is to be interpreted to mean the cost of labor and material including charges for supervision and other overhead expenses.

3.4 Exceptions

- A. Service Charges do not apply for the following:
1. Visits to a Customer's Premises solely for the purpose of repair, maintenance or disconnection of Telephone Company provided service and equipment.
 2. Changes from Premium to Economy service or changes from any service other than Provider of Last Resort Retail Service to Provider of Last Resort Retail Service.
 3. Service reestablished after the destruction of the residential Customer's Premises by fire, flood, or other similar causes beyond the Customer's control, where the same amount of service is reestablished within a reasonable period of time at the same or different location. If, under the preceding conditions, service is installed at another location and then subsequently reestablished at

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the original location, Service Charges will apply for the subsequent installation.

4. A change of telephone number when initiated by the Company.
5. Any work functions required not due to Customer's request.

B. To the extent the Commission requires application of a discount to installation charges for customers who have complied with the certification requirements and qualified for Lifeline service pursuant to Part 54 of the Rules of the Federal Communications Commission, Company shall apply such Commission ordered discounts to the installation charges associated with an initial connection of provider of last resort retail service.

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Residential Economy Service

4.1 Eligibility

- A. Residential service rates shall apply if the service is primarily for domestic purposes and the telephone number associated with the service is not included in any form of advertising for any business purpose.
- B. Business rates shall apply for any service that does not qualify for residential service rates as set forth in Section 4.1.A. Customers to whom business rates apply are not eligible to take Residential Economy Service.

4.2 Definitions

- A. Basic Service Calling Area – (BSCA) is the local (non-interexchange) calling area of the “home exchange” of a customer of Tidewater Telecom, Inc. The BSCA includes all exchanges that were in the BSCA prior to the amendments effective in December 2002 plus all exchanges that are contiguous to the home exchange that were not included prior to the December 2002 amendments. Within a BSCA, there may be Economy and Premium calling options with flat-rate and per-minute pricing as specified in the definitions of those options. For all options, the BSCA includes all of the exchanges that are included in the calling option with the largest flat-rate calling area.
- B. Home Exchange – is the Exchange of the Company where the Customer receives dial tone.
- C. Economy Calling Area is the Customer’s basic-service calling area that has a flat monthly rate for unlimited calling within the Customer’s Home Exchange and the list of Exchanges identified in connection with the particular Home Exchange in Section 4.4.A and a per-minute rate for calling to the list of Exchanges identified in connection with the Home exchange in Section 4.4.C of this Tariff.
- D. Provider of last resort service – is a flat-rate service with voice grade access to the public switched telephone network; local usage within the basic service calling areas of incumbent local exchange carriers as of January 1, 2012; dual-tone multifrequency signaling or its functional

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equivalent; single-party service or its functional equivalent; access to emergency services; access to operator services; access to interexchange service; access to directory assistance; toll limitation for qualifying low-income customers; and the capacity to maintain uninterrupted voice service during a power failure, either through the incorporation into the network or network interface devices of suitable battery backup or through electric current. For purposes of this Schedule, all terms included within the definition of provider of last resort service have the same meanings as set forth in 35-A MRSA § 7201.

- E. Residential Economy Service – is provider of last resort service offered to residential customers on a retail basis with the Economy Service Area as the Customer's Basic Service Calling Area.

4.3 Regulations Concerning Residential Economy Service.

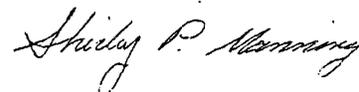
- A. Calls Outside the Economy Calling Area – Residential Economy Service customers may make local calls from their Home Exchange to the additional Exchanges included in Section 4.4.C at a per-minute rate. The per-minute rate for such calls is set forth in Section 4.4.D of this Tariff. Calls made from the Home Exchange to locations within the State of Maine, other than those listed in Section 4.4 are billed to the Customer at the applicable intrastate toll rates of the carrier used to provide Customer's intrastate toll service.
- B. Municipal Calling Service – Customer shall receive toll free calling to any other customer of a Provider of Last Resort within the municipality in which the Customer resides where practicable so long as the Customer is utilizing an intralata toll provider for whom Company provides billing to the Customer. In the event the Customer is charged by an intralata toll provider for whom Company provides billing to the Customer for a call to a Provider of Last Resort customer within the municipality in which the Customer resides, Company shall remove any charges associated with any such municipal calling from the Customer's bill when notified by the Customer.
- C. Changes in Calling Areas – The Customer's initial selection of either the Economy Calling Area Service offering or the Premium Calling Area Service offering is without charge. Subsequent changes by the Customer are subject to the applicable Service Order Charge as identified in this

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Tariff. If only one Calling Area Service offering is available for an Exchange, the Customer will automatically be classified under the available service offering and no charge will apply.

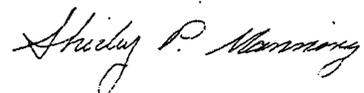
- D. Rates – The applicable rates for the Company’s Residential Economy Service are listed in Sections 4.4.B and 4.4.D of this Tariff.
- E. Lifeline – Company complies with all provisions set forth in Part 54 of the Rules of the Federal Communications Commission and shall offer all applicable State and Federal discounts to customers who have been properly certified as qualifying for Lifeline service pursuant to Part 54 of the Rules of the Federal Communications Commission.

4.4 Calling Area Rates and List of Exchanges – Residential Economy Service

- A. List of Exchanges Where Flat-Rated Calling Applies

Home Exchange	Unlimited Flat-Rated Calling to the Following Exchanges
Bremen	Bremen Damariscotta New Harbor Sheepscot South Bristol
Damariscotta	Bremen Damariscotta New Harbor Sheepscot South Bristol
New Harbor	Bremen Damariscotta New Harbor Sheepscot South Bristol
Sheepscot	Bremen Damariscotta New Harbor

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	Sheepscot South Bristol
South Bristol	Bremen Damariscotta New Harbor Sheepscot South Bristol
Union	Union

B. Monthly Rates for Unlimited Flat-Rated Calling – Residential Economy Service

Home Exchange	Rate
Bremen	\$17.79
Damariscotta	\$17.79
New Harbor	\$17.79
Sheepscot	\$17.79
South Bristol	\$17.79
Union	\$17.79

C. List of Exchanges Where Per-Minute Charges Apply – Residential Economy Service

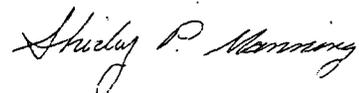
Home Exchange	Per-Minute Rated Calling to the Following Exchanges
Bremen	Waldoboro
Damariscotta	Boothbay Harbor North Whitefield Waldoboro Wiscasset
Sheepscot	North Whitefield Richmond Wiscasset

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Union	Camden
	Liberty
	Lincolnton
	Lincolnton Beach
	Morrill
	Rockland
	Waldoboro
	Warren
	Washington

- D. The per-minute rate for calls made from Customer's Home Exchange to the applicable Exchanges listed in Section 4.4.C above is \$0.05 per minute.

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Residential Premium Service

5.1 Eligibility

- A. Residential service rates shall apply if the service is primarily for domestic purposes and the telephone number associated with the service is not included in any form of advertising for any business purpose.
- B. Business rates shall apply for any service that does not qualify for residential service rates as set forth in Section 5.1.A. Customers to whom business rates apply are not eligible to take Residential Premium Service.

5.2 Definitions

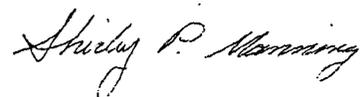
- A. Basic Service Calling Area – (BSCA) is the local (non-interexchange) calling area of the “home exchange” of a customer of Tidewater Telecom, Inc. The BSCA includes all exchanges that were in the BSCA prior to the amendments effective in December 2002 plus all exchanges that are contiguous to the home exchange that were not included prior to the December 2002 amendments. Within a BSCA, there may be Economy and Premium calling options with flat-rate and per-minute pricing as specified in the definitions of those options. For all options, the BSCA includes all of the exchanges that are included in the calling option with the largest flat-rate calling area.
- B. Home Exchange – is the Exchange of the Company where the Customer receives dial tone.
- C. Premium Calling Area is the Customer’s basic-service calling area that has a flat monthly rate for unlimited calling within the Customer’ Home Exchange and the list of Exchanges identified in connection with the particular Home Exchange in Section 5.4.A of this Tariff.
- D. Provider of last resort service – is a flat- rate service with voice grade access to the public switched telephone network; local usage within the basic service calling areas of incumbent local exchange carriers as of January 1, 2012; dual-tone multifrequency signaling or its functional equivalent; single-party service or its functional equivalent; access to emergency services; access to operator services; access to interexchange

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service; access to directory assistance; toll limitation for qualifying low-income customers; and the capacity to maintain uninterrupted voice service during a power failure, either through the incorporation into the network or network interface devices of suitable battery backup or through electric current. For purposes of this Schedule, all terms included within the definition of provider of last resort service have the same meanings as set forth in 35-A MRSA § 7201.

- E. Residential Premium Service – is provider of last resort service offered to residential customers on a retail basis with the Premium Service Area as the Customer's Basic Service Calling Area.

5.3 Regulations Concerning Residential Premium Service.

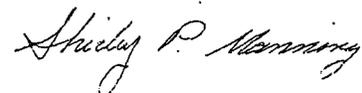
- A. Calls Outside the Premium Calling Area – Calls made from the Home Exchange to locations within the State of Maine, other than those listed in Section 5.3 are billed to the Customer at the applicable intrastate toll rates of the carrier used to provide Customer's intrastate toll service.
- B. Municipal Calling Service – Customer shall receive toll free calling to any other customer of a Provider of Last Resort within the municipality in which the Customer resides where practicable so long as the Customer is utilizing an intralata toll provider for whom Company provides billing to the Customer. In the event the Customer is charged by an intralata toll provider for whom Company provides billing to the Customer for a call to a Provider of Last Resort customer within the municipality in which the Customer resides, Company shall remove any charges associated with any such municipal calling from the Customer's bill when notified by the Customer.
- C. Changes in Calling Areas – The Customer's initial selection of either the Economy Calling Area Service offering or the Premium Calling Area Service offering is without charge. Subsequent changes by the Customer are subject to the applicable Service Order Charge as identified in this Tariff. If only one Calling Area Service offering is available for an Exchange, the Customer will automatically be classified under the available service offering and no charge will apply.
- D. Rates – The applicable rates for the Company's Residential Premium Service are listed in Section 5.4.B of this Tariff.

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- E. Lifeline – Company complies with all provisions set forth in Part 54 of the Rules of the Federal Communications Commission and shall offer all applicable State and Federal discounts to customers who have been properly certified as qualifying for Lifeline service pursuant to Part 54 of the Rules of the Federal Communications Commission.

5.4 Calling Area Rates and List of Exchanges – Residential Premium Service

- A. List of Exchanges Where Flat-Rated Calling Applies

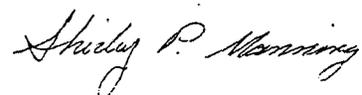
<u>Home Exchange</u>	<u>Unlimited Flat-Rated Calling to the Following Exchanges</u>
Bremen	Bremen Damariscotta New Harbor Sheepscot South Bristol Waldoboro
Damariscotta	Boothbay Harbor Bremen Damariscotta New Harbor North Whitefield Sheepscot South Bristol Waldoboro Wiscasset
Sheepscot	Bremen Damariscotta New Harbor North Whitefield Richmond Sheepscot South Bristol Wiscasset

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Tidewater Telecom, Inc.
Provider of Last Resort Retail Service
Schedule of Rates, Terms and Conditions

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Union	Camden Liberty Lincolntonville Lincolntonville Beach Morrill Rockland Union Waldoboro Warren Washington
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B. Monthly Rates for Unlimited Flat-Rated Calling – Residential Premium Service

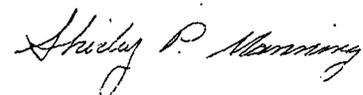
Home Exchange	Rate
Bremen	\$19.29
Damariscotta	\$19.29
New Harbor	N/A
Sheepscot	\$19.29
South Bristol	N/A
Union	\$19.29

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Residential DSL

Two Bundle Packages Five DSL Speeds

<u>Power Plus</u>	10Mbps down/ 2Mbps up
<u>Power</u>	10Mbps down/1Mbps up
<u>Super</u>	6Mbps down/ 1Mbps up
<u>Deluxe</u>	3Mbps down/ 1Mbps up
<u>Standard</u>	768 kbps down & up

State of Maine Bundle:

- Local Phone Service
- 1000 Minutes Long Distance within Maine
- Caller ID, Call Waiting & Call Forwarding
- DSL High-Speed Internet

Standard:	\$69.95
Deluxe:	\$74.95
Super:	\$79.95
Power:	\$89.95
Power Plus:	\$99.95

Continental Bundle:

- Local Phone Service
- 1000 Minutes Long Distance within the Continental US
- Caller ID, Call Waiting & Call Forwarding
- DSL High-Speed Internet

Standard:	\$79.95
Deluxe:	\$84.95
Super:	\$89.95
Power:	\$99.95
Power Plus:	\$109.95

Call 563-9911 or 785-9911 today
for more information and start saving!

** All services may not be available in all areas. Customer phone line must be tested before service can be confirmed.

* Plus taxes, surcharges and fees for any additional services