



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



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

October 9, 2013

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

Received & Inspected  
OCT 17 2013  
FCC Mail Room

**Re: (FCC) WC Docket No. 10-90 Annual Reporting – FCC Form 481, Filings Pursuant to FCC Rule §54.313 and Low Income Support (Lifeline) Filings Pursuant to FCC Rule §54.422 by Lincolnville Networks, Inc.**

Enclosed are paper copies of the information filed today with USAC: FCC Form 481 and attachments, Program Year 2014

Please contact me with any questions.

Sincerely,

James A Sanborn  
Controller  
Lincolnville Networks, Inc.  
207-563-9911  
[jims@lintelco.net](mailto:jims@lintelco.net)

No. of Copies rec'd \_\_\_\_\_  
List ABCDE \_\_\_\_\_

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**FCC Form 481 - Carrier Annual Reporting Data Collection Form** FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<b>&lt;010&gt; Study Area Code</b>	100003
<b>&lt;015&gt; Study Area Name</b>	LINCOLNVILLE TELEPHONE COMPANY
<b>&lt;020&gt; Program Year</b>	2014
<b>&lt;030&gt; Contact Name: Person USAC should contact with questions about this data</b>	Jim Sanborn
<b>&lt;035&gt; Contact Telephone Number: Number of the person identified in data line &lt;030&gt;</b>	207-563-9910
<b>&lt;039&gt; Contact Email Address: Email of the person identified in data line &lt;030&gt;</b>	jims@lintelco.net

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**OCT 17 2013**  
**FCC Mail Room**

<b>ANNUAL REPORTING FOR ALL CARRIERS</b>	<b>54.313</b> Completion Required	<b>54.422</b> Completion Required
--	--------------------------------------	--------------------------------------

			(check box when complete)	
<b>&lt;100&gt;</b>	Service Quality Improvement Reporting <span style="float: right;"><i>(complete attached worksheet)</i></span>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>&lt;200&gt;</b>	Outage Reporting (voice) <span style="float: right;"><i>(complete attached worksheet)</i></span>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>&lt;210&gt;</b>	<input checked="" type="checkbox"/> <-- check box if no outages to report			
<b>&lt;300&gt;</b>	Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>&lt;310&gt;</b>	Detail on Attempts (voice)	100003me310	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>&lt;320&gt;</b>	Unfulfilled Service Requests (broadband)		<input type="checkbox"/>	<input type="checkbox"/>
<b>&lt;330&gt;</b>	Detail on Attempts (broadband)		<input type="checkbox"/>	<input type="checkbox"/>
<b>&lt;400&gt;</b>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>&lt;410&gt;</b>	Fixed	0.0020		
<b>&lt;420&gt;</b>	Mobile	0.0		
<b>&lt;430&gt;</b>	Number of Complaints per 1,000 customers (broadband)		<input type="checkbox"/>	<input type="checkbox"/>
<b>&lt;440&gt;</b>	Fixed			
<b>&lt;450&gt;</b>	Mobile			
<b>&lt;500&gt;</b>	Service Quality Standards & Consumer Protection Rules Compliance <span style="float: right;"><i>(check to indicate certification)</i></span>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>&lt;510&gt;</b>	<input type="text" value="100003me510"/> <span style="float: right;"><i>(attached descriptive document)</i></span>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>&lt;600&gt;</b>	Functionality in Emergency Situations <span style="float: right;"><i>(check to indicate certification)</i></span>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>&lt;610&gt;</b>	<input type="text" value="100003me610"/> <span style="float: right;"><i>(attached descriptive document)</i></span>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>&lt;700&gt;</b>	Company Price Offerings (voice) <span style="float: right;"><i>(complete attached worksheet)</i></span>		<input type="checkbox"/>	<input type="checkbox"/>
<b>&lt;710&gt;</b>	Company Price Offerings (broadband) <span style="float: right;"><i>(complete attached worksheet)</i></span>		<input type="checkbox"/>	<input type="checkbox"/>
<b>&lt;800&gt;</b>	Operating Companies and Affiliates <span style="float: right;"><i>(complete attached worksheet)</i></span>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>&lt;900&gt;</b>	Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/> <span style="float: right;"><i>(if yes, complete attached worksheet)</i></span>		<input type="checkbox"/>	<input type="checkbox"/>
<b>&lt;1000&gt;</b>	Voice Services Rate Comparability <span style="float: right;"><i>(check to indicate certification)</i></span>		<input type="checkbox"/>	<input type="checkbox"/>
<b>&lt;1010&gt;</b>	<input type="text"/> <span style="float: right;"><i>(attach descriptive document)</i></span>		<input type="checkbox"/>	<input type="checkbox"/>
<b>&lt;1100&gt;</b>	Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> <span style="float: right;"><i>(if not, check to indicate certification)</i></span>		<input type="checkbox"/>	<input type="checkbox"/>
<b>&lt;1110&gt;</b>	<input type="text"/> <span style="float: right;"><i>(complete attached worksheet)</i></span>		<input type="checkbox"/>	<input type="checkbox"/>
<b>&lt;1200&gt;</b>	Terms and Condition for Lifeline Customers <span style="float: right;"><i>(complete attached worksheet)</i></span>		<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**  
*Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

<b>&lt;2000&gt;</b>	<i>(check to indicate certification)</i>		<input type="checkbox"/>	<input type="checkbox"/>
<b>&lt;2005&gt;</b>	<i>(complete attached worksheet)</i>		<input type="checkbox"/>	<input type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<b>&lt;3000&gt;</b>	<i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>&lt;3005&gt;</b>	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code 100003

<015> Study Area Name LINCOLNVILLE TELEPHONE COMPANY

<020> Program Year 2014

<030> Contact Name - Person USAC should contact regarding this data Jim Sanborn

<035> Contact Telephone Number - Number of person identified in data line <030> 207-563-9910

<039> Contact Email Address - Email Address of person identified in data line <030> jims@intelco.net

<110> Has your company received its ETC certification from the FCC?  (yes / no)

If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?  (yes / no)

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					

<113> Maps detailing progress towards meeting plan targets

<114> Report how much universal service (USF) support was received

<115> How (USF) was used to improve service quality

<116> How (USF) was used to improve service coverage

<117> How (USF) was used to improve service capacity

<118> Provide an explanation of network improvement targets not met in the prior calendar year.

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

**(1200) Terms and Condition for Lifeline Customers**  
**Lifeline**  
**Data Collection Form**

<010> Study Area Code 100003

<015> Study Area Name LINCOLNVILLE TELEPHONE COMPANY

<020> Program Year 2014

<030> Contact Name - Person USAC should contact regarding this data Jim Sanborn

<035> Contact Telephone Number - Number of person identified in data line <030> 207-563-9310

<039> Contact Email Address - Email Address of person identified in data line <030> jime@lincelco.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 100003me1210

Name of attached document (.pdf)

<1220> Link to Public Website HTTP

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

FCC Form 481  
 OMB Control No. 3066-0866/OMB Control No. 3060-0819  
 July 2013

(3000) Rate Of Return Carrier Additional Documentation  
 Data Collection Form

100003

<010> Study Area Code  
 <015> Study Area Name  
 <020> Program Year  
 <030> Contact Name - Person USAC should contact regarding this data  
 <035> Contact Telephone Number - Number of person identified in data line <030>  
 <039> Contact Email Address - Email Address of person identified in data line <030>

LINCOLNVILLE TELEPHONE COMPANY  
 2014  
 Jim Sanborn  
 207-563-9910  
 jims@lntelco.net

**CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.**

Progress Report on 5 Year Plan	Name of Attached Document Listing Required Information	(Yes/No)
(3010) Milestone Certification (47 CFR § 54.313(f)(1)(ii)) Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.		<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3011) Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii)) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires.		<input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3012) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3013) PDF of Balance Sheet, Income Statement and Statement of Cash Flows If the response is yes on line 3014, attach your company's RUS annual report and all required documentation		<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3014) If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains		<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3015) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications		<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3016) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3017) Management letter issued by the independent certified public accountant that performed the company's financial audit.		<input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3018) If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers.		<input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3019) Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3020) Underlying information subjected to an officer certification.		<input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3021) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3022) Attach the worksheet listing required information		<input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)

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OCT 17 2013

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0080 OMB Control No. 3050-0819 JULY 2013
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<010> Study Area Code	100003
<015> Study Area Name	LINCOLNVILLE TELEPHONE COMPANY
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Jim Sanborn
<035> Contact Telephone Number - Number of person identified in data line <030>	207-563-9910
<039> Contact Email Address - Email Address of person identified in data line <030>	jims@intelco.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	LINCOLNVILLE TELEPHONE COMPANY
Signature of Authorized Officer:	CERTIFIED ONLINE <span style="float: right;">Date 10/9/13</span>
Printed name of Authorized Officer:	Shirley P Manning
Title or position of Authorized Officer:	President
Telephone number of Authorized Officer:	207-563-9911
Study Area Code of Reporting Carrier:	100003 <span style="float: right;">Filing Due Date for this form: 10/15/2013</span>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

100003

Study Area Code

Study Area Name LINCOLNVILLE TELEPHONE COMPANY

Program Year 2014

Contact Name - Person USAC should contact regarding this data Jim Sauborn

Contact Telephone Number - Number of person identified in data line <030> 207-563-9910

Contact Email Address - Email Address of person identified in data line <030> jims@lntelco.net

Reporting Carrier Lincolnvillie Networks, Inc.

Holding Company Lincolnvillie Telephone Company

Operating Company Lincolnvillie Networks, Inc.

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<813>	<81>	<82>	<83>
	Affiliates	SAC	Doing Business As Company or Brand Designation
	Tidewater Telecom, Inc.	100003	
	Coastal Telco Services, Inc.		
	Lincolnvillie Communications, Inc.		

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## Lincolnton Telephone Co.

### 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)	0	0	0	0	7	4	2	3.25
Number of Lines	1652	1643	1636	4931	5026	4999	4977	4983.25
Network Trouble Report Rate per 100 Lines	0	0	0	0	0.13	0.08	0.04	0.06
Total Troubles not cleared within 24 hours (Res and Bus)	0	0	0	0	0	0	0	0
Total Number of Troubles	8	4	6	18	16	13	11	14.5
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	10	6	5	21	30	49	12	28
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	0	0	Rolling Total: 0

112  
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**Service Quality Standards and Consumer Protection**

The Company has procedures in place to comply with service quality standards and consumer protections.

The Company has incurred an appropriate level of investment in its physical plant, including diverse routing, and is adequately staffed to maintain its physical plant to minimize service issues and respond quickly and ably to appropriately address any service issues and customer complaints. The Company is also adequately staffed to fulfill customer service requests on a timely basis.

The Company has procedures in place to ensure that its customer protection obligations are appropriately discharged. The Company maintains awareness of currently effective Federal and State consumer protection regulations, maintains procedures to comply with these regulations, keeps its employees informed of the procedures, and monitors its employees' compliance with the procedures.

**Ability to Remain Functional in Emergency Situations - Sec 54.202(a)(2)**

The Company has procedures and facilities in place to remain functional in emergency situations, including backup power at all switching locations in the form of batteries and generators, and ringed and duplicative networks with the ability to reroute traffic around damaged facilities and manage traffic spikes resulting from emergency situations.

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**OCT 17 2013**

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100003me1210

**Lincolnvile Networks, Inc.  
Provider of Last Resort Retail Service  
Schedule of Rates, Terms and Conditions**

**Table of Contents  
Original  
Received & Inspected  
OCT 17 2013  
FCC Mail Room**

**TABLE OF CONTENTS**

	<u>Section</u>
Definitions	1
General Provisions	2
Service Charges	3
Residential Economy Service	4
Residential Premium Service	5
Business Economy Service	6
Business Premium Service	7

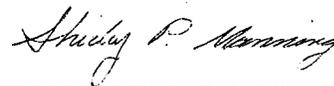
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

**Lincolville Networks, Inc.  
Provider of Last Resort Retail Service  
Schedule of Rates, Terms and Conditions**

Received & Inspected Section 1  
OCT 17 2013 Page 1  
Original

**DEFINITIONS**

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**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** - Lincolville Networks, 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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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

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Docket No.: 2012-00390



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Shirley P Manning

President

**Lincolnton Networks, Inc.**  
**Provider of Last Resort Retail Service**  
**Schedule of Rates, Terms and Conditions**

**Section 1**  
**Page 2**  
**Original**

**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.

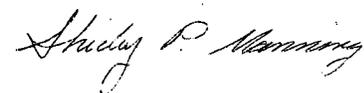
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Shirley P Manning

President

**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.

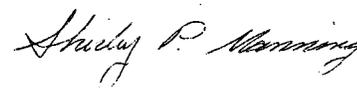
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

**GENERAL PROVISIONS**

**2.1 Compliance With Commission Rules**

Lincolnton Networks, 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.

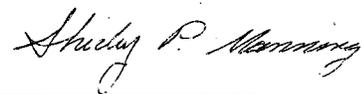
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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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 Lincolnton Networks, Inc., hereinafter referred to as the Company, subject to the jurisdiction of the Maine Public Utilities Commission.

Exchanges Served by Lincolnton Networks, Inc.  
Lincolnton  
Lincolnton Beach

- 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:
1. Endanger the safety of the Company employees or the public;
  2. Damage, require change in or alteration of, or involve direct

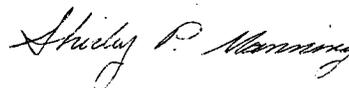
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Docket No.: 2012-00390



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Shirley P Manning

President

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 information, without payment of the charge applicable for such service;
  2. The obtaining, or attempting to obtain, or assisting another to

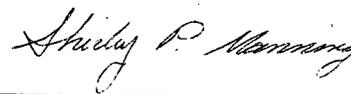
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

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 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

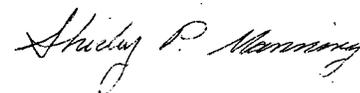
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

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.

**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.

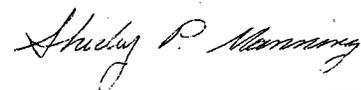
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

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

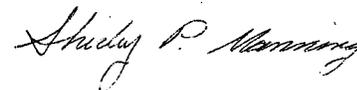
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Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

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**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.

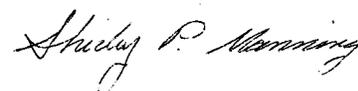
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Docket No.: 2012-00390



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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.

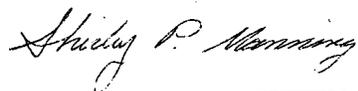
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Received & Inspected

SERVICE CHARGES

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3.1 General

FCC Mail Room

- 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

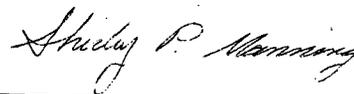
	<u>Nonrecurring Charge</u>	
	<u>Business</u>	<u>Residence</u>
A. Initial Connection Charge	\$38.00	\$38.00
B. Secondary Service Order Charge	\$4.40	\$4.40
C. Central Office Work Charge, Per Line.	\$6.00	\$6.00

Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



Shirley P Manning

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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

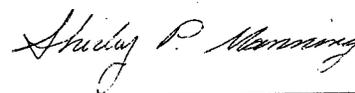
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Issued Date: July 31, 2012

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Docket No.: 2012-00390



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Shirley P Manning

President

- 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

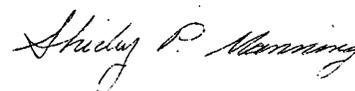
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

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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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

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Residential Economy Service FCC Mail Room

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 Lincolville Networks, 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’ 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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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

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

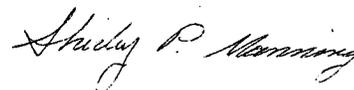
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

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**

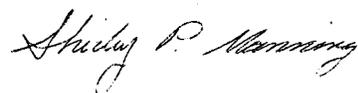
- A. List of Exchanges Where Flat-Rated Calling Applies

<u>Home Exchange</u>	<u>Unlimited Flat-Rated Calling to the Following Exchanges</u>
Lincolnton	Camden Lincolnton Lincolnton Beach
Lincolnton Beach	Camden Lincolnton Lincolnton Beach

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

<u>Home Exchange</u>	<u>Rate</u>
Lincolnton	\$17.17
Lincolnton Beach	\$17.17

Issued Date: July 31, 2012  
Proposed Effective Date: August 30, 2012  
Effective Date: August 30, 2012  
Docket No.: 2012-00390



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

<u>Home Exchange</u>	<u>Per-Minute Rated Calling to the Following Exchanges</u>
Lincolnton	Belfast Morrill Union
Lincolnton Beach	Belfast Morrill Union

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.

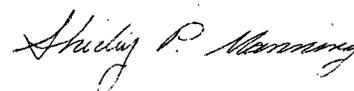
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

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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 Lincolnton Networks, 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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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

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.

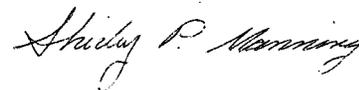
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Issued Date: July 31, 2012

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Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

- 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>
Lincolnton	Belfast Camden Lincolnton Lincolnton Beach Morrill Union
Lincolnton Beach	Belfast Camden Lincolnton Lincolnton Beach Morrill Union

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

<u>Home Exchange</u>	<u>Rate</u>
Lincolnton	\$18.29
Lincolnton Beach	\$18.29

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Docket No.: 2012-00390



Shirley P Manning  
President

### Business Economy Service

#### 6.1 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. Customers to whom residential rates apply are not eligible to take Business Economy Service.
- B. Business rates shall apply for any service that does not qualify for residential service rates as set forth in Section 6.1.A.

#### 6.2 Definitions

- A. Basic Service Calling Area – (BSCA) is the local (non-interexchange) calling area of the “home exchange” of a customer of Lincolnvile Networks, 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’ Home Exchange and the list of Exchanges identified in connection with the particular Home Exchange in Section 6.4.A and a per-minute rate for calling to the list of Exchanges identified in connection with the Home exchange in Section 6.4.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

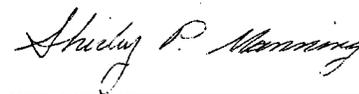
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

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Docket No.: 2012-00390



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Shirley P Manning

President

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

**6.3 Regulations Concerning Business Economy Service.**

- A. Calls Outside the Economy Calling Area – Business Economy Service customers may make local calls from their Home Exchange to the additional Exchanges included in Section 6.4.C at a per-minute rate. The per-minute rate for such calls is set forth in Section 6.4.D of this Tariff. Calls made from the Home Exchange to locations within the State of Maine, other than those listed in Sections 6.4 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

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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

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 Business Economy Service are listed in Sections 6.4.B and 6.4.D of this Tariff.

**6.4 Calling Area Rates and List of Exchanges – Business Economy Service**

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

<u>Home Exchange</u>	<u>Unlimited Flat-Rated Calling to the Following Exchanges</u>
Lincolnton	Camden Lincolnton Lincolnton Beach
Lincolnton Beach	Camden Lincolnton Lincolnton Beach

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

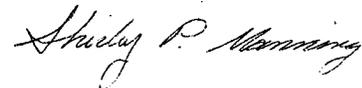
<u>Home Exchange</u>	<u>Rate</u>
Lincolnton	\$32.74
Lincolnton Beach	\$32.74

Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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President

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

<u>Home Exchange</u>	<u>Per-Minute Rated Calling to the Following Exchanges</u>
Lincolnton	Belfast Morrill Union
Lincolnton Beach	Belfast Morrill Union

- D. The per-minute rate for calls made from Customer's Home Exchange to the applicable Exchanges listed in Section 6.4.C above is \$0.05 per minute.

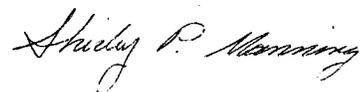
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Docket No.: 2012-00390



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Shirley P Manning

President

### Business Premium Service

#### 7.1 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. Customers to whom residential rates apply are not eligible to take Business Premium Service.
- B. Business rates shall apply for any service that does not qualify for residential service rates as set forth in Section 7.1.A.

#### 7.2 Definitions

- A. Basic Service Calling Area – (BSCA) is the local (non-interexchange) calling area of the “home exchange” of a customer of Lincolnvile Networks, 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 7.4.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

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Issued Date: July 31, 2012

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Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

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

**7.3 Regulations Concerning Business 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 7.3 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.

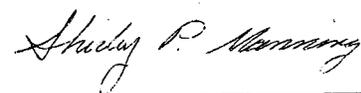
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Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

Effective Date: August 30, 2012

Docket No.: 2012-00390



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Shirley P Manning

President

- D. Rates – The applicable rates for the Company’s Business Premium Service are listed in Section 7.4.B of this Tariff.

**7.4 Calling Area Rates and List of Exchanges – Business Premium Service**

- A. List of Exchanges Where Flat-Rated Calling Applies – Business Premium Service

<b>Home Exchange</b>	<b>Unlimited Flat-Rated Calling to the Following Exchanges</b>
Lincolnton	Belfast Camden Lincolnton Lincolnton Beach Morrill Union
Lincolnton Beach	Belfast Camden Lincolnton Lincolnton Beach Morrill Union

- B. Monthly Rates for Unlimited Flat-Rated Calling – Business Premium Service

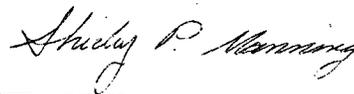
<b>Home Exchange</b>	<b>Rate</b>
Lincolnton	\$35.05
Lincolnton Beach	\$35.05

Issued Date: July 31, 2012

Proposed Effective Date: August 30, 2012

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Docket No.: 2012-00390



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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!

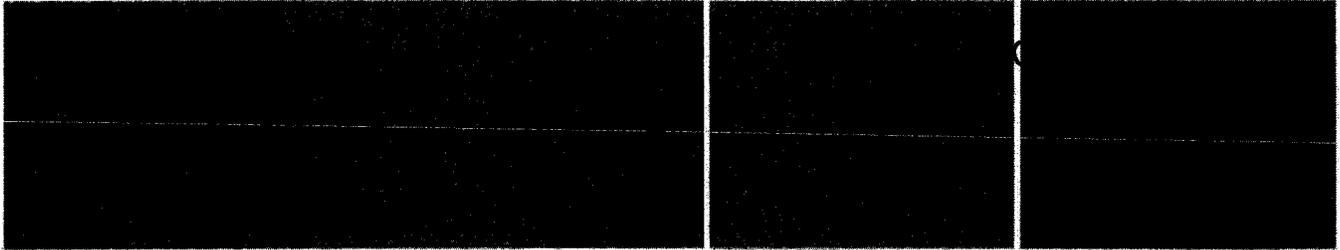
\*\* All services may not be available in all areas. Customer phone line must be tested before service can be confirmed.

\* Plus taxes, surcharges and fees for any additional services

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**LINCOLNVILLE NETWORKS, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2012 and 2011**

**With Independent Auditor's Report**





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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Lincolnton Networks, Inc.

We have audited the accompanying financial statements of Lincolnton Networks, Inc. (a wholly-owned subsidiary of Lincolnton Telephone Company), which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of operations 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 U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards. 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 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 Lincolnton Networks, 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 U.S. generally accepted accounting principles.

*BerryDunn McNeil & Parker, LLC*

Portland, Maine  
March 13, 2013

**LINCOLNVILLE NETWORKS, INC.**  
**(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)**

**Balance Sheets**

**December 31, 2012 and 2011**

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**ASSETS**

	<u>2012</u>	<u>2011</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 117,432	\$ 117,363
Accounts receivable, net of allowance for doubtful accounts of \$1,500 in 2012 and 2011	194,890	184,773
Materials and supplies	2,673	2,585
Prepaid expenses and other current assets	<u>1,264</u>	<u>11,016</u>
<b>Total current assets</b>	<b><u>316,259</u></b>	<b><u>315,737</u></b>
<b>Property, plant and equipment, at cost</b>		
Land and buildings	1,006,503	1,006,503
Central office equipment	2,729,696	2,646,157
Information origination/termination equipment	13,342	13,342
Cable and wire facilities	4,767,668	4,716,869
Other equipment	264,204	264,204
Telecommunications plant under construction	<u>-</u>	<u>1,527</u>
	<b>8,781,413</b>	<b>8,648,602</b>
Less accumulated depreciation	<u>5,152,069</u>	<u>4,809,657</u>
<b>Net property, plant and equipment</b>	<b><u>3,629,344</u></b>	<b><u>3,838,945</u></b>
<b>Noncurrent assets</b>		
Intangible, net	<u>1,142,906</u>	<u>1,187,510</u>
<b>Total noncurrent assets</b>	<b><u>1,142,906</u></b>	<b><u>1,187,510</u></b>
	<b><u>\$ 5,088,509</u></b>	<b><u>\$ 5,342,192</u></b>

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

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### LIABILITIES AND STOCKHOLDER'S EQUITY

	<u>2012</u>	<u>2011</u>
Current liabilities		
Accounts payable	\$ 15,439	\$ 11,659
Accrued expenses and other current liabilities	6,736	299,740
Due to related parties	<u>469,136</u>	<u>16,381</u>
Total current liabilities	491,311	327,780
Deferred income taxes	1,479,000	1,544,000
Other long-term liabilities	<u>14,805</u>	<u>61,360</u>
Total liabilities	<u>1,985,116</u>	<u>1,933,140</u>
Commitments and contingencies (Note 5)		
Stockholder's equity		
Common stock, no par value; 2,000 shares authorized; 100 shares issued and outstanding	-	-
Paid-in capital	4,119,509	4,119,509
Accumulated deficit	<u>(1,016,116)</u>	<u>(710,457)</u>
Total stockholder's equity	<u>3,103,393</u>	<u>3,409,052</u>
	<u>\$ 5,088,509</u>	<u>\$ 5,342,192</u>

**LINCOLNVILLE NETWORKS, INC.**  
**(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)**

**Statements of Operations and Accumulated Deficit**

**Years Ended December 31, 2012 and 2011**

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	<u>2012</u>	<u>2011</u>
Operating revenues		
Basic local network services	\$ 478,032	\$ 489,990
Network access services	891,934	852,005
Miscellaneous	44,586	33,398
Uncollectible revenues, net of recoveries	<u>(1,488)</u>	<u>(1,213)</u>
Total operating revenues	<u>1,413,064</u>	<u>1,374,180</u>
Operating expenses		
Plant specific operations	183,857	186,995
Plant nonspecific operations	171,680	160,176
Depreciation and amortization	430,377	433,457
Customer operations	167,197	179,660
Corporate operations	<u>373,356</u>	<u>332,422</u>
Total operating expenses	<u>1,326,467</u>	<u>1,292,710</u>
Operating taxes		
Federal and state income taxes	(1,700)	(3,900)
Other operating taxes	<u>90,832</u>	<u>91,711</u>
Total operating taxes	<u>89,132</u>	<u>87,811</u>
Net loss	(2,535)	(6,341)
Accumulated deficit, beginning of year	(710,457)	(229,109)
Less dividends	<u>303,124</u>	<u>475,007</u>
Accumulated deficit, end of year	<u>\$ (1,016,116)</u>	<u>\$ (710,457)</u>

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

**LINCOLNVILLE NETWORKS, INC.**  
**(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)**

**Statements of Cash Flows**

**Years Ended December 31, 2012 and 2011**

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	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Net loss	\$ (2,535)	\$ (6,341)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	430,377	433,457
Deferred income taxes	(65,000)	(51,400)
Decrease (increase) in		
Accounts receivable	(10,117)	(25,894)
Materials and supplies	(88)	55
Due from affiliates	452,755	222,760
Prepaid expenses and other current assets	9,752	(248)
Increase (decrease) in		
Accounts payable	3,780	(9,761)
Accrued expenses and other current liabilities	(293,004)	34,375
Other liabilities	<u>(46,555)</u>	<u>(53,915)</u>
Net cash provided by operating activities	<u>479,365</u>	<u>543,088</u>
Cash flows from investing activities		
Extension and replacement of telecommunications plant	<u>(176,172)</u>	<u>(74,626)</u>
Net cash used by investing activities	<u>(176,172)</u>	<u>(74,626)</u>
Cash flows from financing activities		
Payment of dividends	<u>(303,124)</u>	<u>(475,007)</u>
Net cash used by financing activities	<u>(303,124)</u>	<u>(475,007)</u>
Net increase (decrease) in cash and cash equivalents	69	(6,545)
Cash and cash equivalents, beginning of year	<u>117,363</u>	<u>123,908</u>
Cash and cash equivalents, end of year	<u>\$ 117,432</u>	<u>\$ 117,363</u>

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

**LINCOLNVILLE NETWORKS, INC.**  
**(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)**

**Notes to Financial Statements**

**December 31, 2012 and 2011**

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**Nature of Operations**

Lincolnville Networks, 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 their 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.

**LINCOLNVILLE NETWORKS, INC.**  
**(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)**

**Notes to Financial Statements**

**December 31, 2012 and 2011**

Received & Inspected  
OCT 17 2013

FCC Mail Room

**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.

**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.

**LINCOLNVILLE NETWORKS, INC.**  
**(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)**

**Notes to Financial Statements**

**December 31, 2012 and 2011**

Received & Inspected  
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**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 \$2,222,957, net of accumulated amortization of \$515,078 and \$397,346 at December 31, 2012 and 2011, respectively, which is included in property, plant and equipment in the balance sheets, 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 statements of operations was \$117,732 in 2012 and 2011. This amortization is not recoverable through rates, as mandated by a stipulated agreement with the MPUC.

**LINCOLNVILLE NETWORKS, INC.**  
**(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)**

**Notes to Financial Statements**

**December 31, 2012 and 2011**

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**3. Intangible Asset Subject to Amortization**

The intangible asset consists of a franchise license of \$1,338,048, net of accumulated amortization of \$195,142 and \$150,538 at December 31, 2012 and 2011, respectively. Amortization expense approximated \$44,600 in 2012 and 2011. Estimated amortization expense through 2017 is as follows:

2013	\$ 44,600
2014	44,600
2015	44,600
2016	44,600
2017	44,600

**4. Income Taxes**

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

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

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
<b><u>2012</u></b>			
Federal income tax	\$ 51,900	\$ (53,000)	\$ (1,100)
State income tax	<u>11,400</u>	<u>(12,000)</u>	<u>(600)</u>
	<b><u>\$ 63,300</u></b>	<b><u>\$ (65,000)</u></b>	<b><u>\$ (1,700)</u></b>
<b><u>2011</u></b>			
Federal income tax	\$ 28,500	\$ (32,200)	\$ (3,700)
State income tax	<u>19,000</u>	<u>(19,200)</u>	<u>(200)</u>
	<b><u>\$ 47,500</u></b>	<b><u>\$ (51,400)</u></b>	<b><u>\$ (3,900)</u></b>

Amounts payable to the parent for current income taxes are included in due from related parties at 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	\$ 1,478,200	\$ 1,567,200
Other	<u>800</u>	<u>(23,200)</u>
	<b><u>\$ 1,479,000</u></b>	<b><u>\$ 1,544,000</u></b>

**LINCOLNVILLE NETWORKS, INC.**  
**(A Wholly-Owned Subsidiary of Lincolnville Telephone Company)**

**Notes to Financial Statements**

**December 31, 2012 and 2011**

Received & Inspected  
OCT 17 2013  
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**5. 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 in 2012 and 2011 approximated:

	<u>2012</u>	<u>2011</u>
Provided to:		
Coastal Telco Services, Inc.	\$ 119,000	\$ 118,000
Lincolnville Communications, Inc.	63,000	62,000
Received from:		
Coastal Telco Services, Inc.	\$ 664,000	\$ 640,000

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.

There was no Management Letter issued in connection with the audit of the December 31, 2012 financial statements of Lincolnvill Networks, Inc.

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