

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Form 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended June 30, 1999

Commission File Number 0-9881

SHENANDOAH TELECOMMUNICATIONS COMPANY
(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction
of incorporation or
organization)

54-1162806

(IRS Employer
Identification
Number)

P.O. Box 459, Edinburg, Virginia 22824

(Address of principal executive office and zip code)

Registrant's telephone number, including area code: (540) 984-4141

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES

X

NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the close of the period covered by this report.

Class

Outstanding at August 10, 1999

Common Stock, No Par Value

3,755,760 Shares

SHENANDOAH TELECOMMUNICATIONS COMPANY

INDEX

Page
Number

PART I. FINANCIAL INFORMATION

Item I. Financial Statements

Consolidated Balance Sheets
June 30, 1999 and December 31, 1998

1 - 2

Consolidated Statements of Income
Three Months and Six Months Ended
June 30, 1999 and 1998

3 - 4

Consolidated Statements of Cash Flow
Six Months Ended
June 30, 1999 and 1998

5

Condensed Consolidated Statement
of Stockholders' Equity

6

Notes To Consolidated Financial
Statements

7

Item II. Management's Discussion and Analysis of Financial Condition and Results of Operations	8 - 13
--	--------

PART II. OTHER INFORMATION

Item 4. Submission of Matters To a Vote of Security Holders	16
Item 6. Exhibits and Reports On Form 8-K	16
Signatures	17

SHENANDOAH TELECOMMUNICAITONS COMPANY
AND SUBSIDIARY COMPANIES
PART I. FINANCIAL INFORMATION
ITEM I. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 1999	December 31, 1998
	----- (Unaudited)	-----
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 6,655,892	\$ 4,891,109
Held to maturity securities	499,581	
Accounts receivable, including interest	4,448,030	4,272,016
Materials and supplies	3,337,876	3,488,137
Prepaid expenses and other current assets	494,704	777,853
	-----	-----
Total current assets	14,936,502	13,928,696
Securities and Investments		
Available-for-sale securities	2,705,703	2,677,789
Other Investments	5,904,324	5,921,206
	-----	-----
	8,610,027	8,598,995
Property, Plant and Equipment		
Plant in service	91,759,329	88,427,844
Plant under construction	6,829,844	5,670,371
	-----	-----
	98,589,173	94,098,215
Less accumulated depreciation	31,840,343	29,063,738
	-----	-----
	\$66,748,830	\$65,034,477
Other assets		
Cost in excess of net assets of		
Business acquired, less accumulated		
Amortization	4,593,792	4,876,215
Deferred charges and other assets	503,459	354,216
Radio spectrum license net of		
Accumulated amortization	1,114,914	653,145
	-----	-----
	6,212,165	5,883,576
	-----	-----
	\$96,507,524	\$93,445,744
	=====	=====

See notes to condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES
PART I. FINANCIAL INFORMATION
ITEM I. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 1999	December 31, 1998
	----- (Unaudited)	-----
LIABILITIES & STOCKHOLDERS EQUITY		
Current Liabilities		
Current maturities of long-term debt	\$ 1,055,645	\$ 863,972
Accounts payable	1,505,233	1,149,286
Advance billings & payments	494,212	712,581
Customers' deposits	123,574	113,586
Accrued compensation	489,941	890,443
Other current liabilities	1,127,429	1,072,422
Other taxes payable	381,326	214,433
	-----	-----
Total current liabilities	5,177,360	5,016,723
Long-Term Debt, less current maturities	27,932,765	28,398,374
Other Liabilities and Deferred Credits		
Deferred investment tax credit	111,116	145,909
Deferred income taxes	6,750,530	6,741,121
Pension and other	1,556,295	1,331,465
	-----	-----
	8,417,941	8,218,495
Minority Interests	2,175,144	2,265,426
Stockholders' Equity		
Common stock	4,734,377	4,734,377
Retained earnings	47,428,071	44,173,730
Accumulated other comprehensive income, Unrealized gain on available-for-sale Securities, net	641,866	638,619
	-----	-----
	52,804,314	49,546,726
	-----	-----
	\$96,507,524	\$93,445,744
	=====	=====

See accompanying notes to consolidated financial statements.

SHENANDOAH TELECOMMUNICAITONS COMPANY
AND SUBSIDIARY COMPANIES
PART I. FINANCIAL INFORMATION
ITEM I. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	1999	1998	1999	1998
	----	----	----	----
Operating Revenues				
Telephone:				
Local service	\$ 1,008,967	\$ 929,325	\$ 1,969,071	\$ 1,851,355
Access	1,948,981	2,022,831	3,839,932	3,947,151
Toll	6,145	17,708	11,947	30,341
Directory	299,334	307,660	613,480	601,147
Facility leases	621,502	494,319	1,123,884	996,934
Billing and collection	113,515	137,710	237,467	256,134
Miscellaneous	43,975	39,817	81,962	81,224
	-----	-----	-----	-----
Total telephone revenues	4,042,419	3,949,370	7,877,743	7,764,286
Cable television	876,520	784,233	1,662,261	1,500,901
ShenTel Service	796,859	573,601	1,729,603	1,099,968
Leasing	2,733	4,303	6,028	8,888
Mobile	3,158,602	2,426,328	5,580,036	4,483,371
PCS	937,822	910,948	1,640,300	1,577,684
Long distance	241,523	216,162	521,782	434,995
Network	169,310	153,733	323,043	307,467
	-----	-----	-----	-----
Total operating revenues	10,225,788	9,018,678	19,340,796	17,177,560
Operating Expense				
Cost of products and services sold	292,469	340,969	754,583	706,227
Line costs	112,224	108,988	219,400	209,367
Plant specific	814,223	609,624	1,570,062	1,309,146
Plant non-specific:				
Network and other	1,643,780	1,443,094	3,138,355	2,683,724
Depreciation	1,617,700	1,312,564	3,175,636	2,594,095
Customer operations	1,285,139	1,213,359	2,498,287	2,412,045
Corporate operations	687,227	649,256	1,355,497	1,339,532
Other operating expenses	261,717	210,082	526,234	428,801
Taxes other than income	160,106	134,172	199,474	267,682
Total Operating Expense	6,874,585	6,022,108	13,437,528	11,950,619
	-----	-----	-----	-----
Operating Income	\$ 3,351,203	\$2,996,570	\$ 5,903,268	\$ 5,226,941

See notes to condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICAITONS COMPANY
AND SUBSIDIARY COMPANIES
PART I. FINANCIAL INFORMATION
ITEM I. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	1999	1998	1999	1998
	----	----	----	----
Non-operating income less expense	\$ 641,490	\$ 413,381	\$ 874,020	\$ 622,768
Interest expense	441,565	418,422	910,126	731,266
	-----	-----	-----	-----
Income before income taxes	3,551,128	2,991,529	5,867,162	5,118,443
Provision for income taxes	1,170,464	997,104	1,955,103	1,680,046
	-----	-----	-----	-----
Net income before minority interest	2,380,664	1,994,425	3,912,059	3,438,397
Minority interest	(439,220)	(326,397)	(657,718)	(582,006)
	-----	-----	-----	-----
Net income	\$1,941,444	\$1,668,028	\$3,254,341	\$ 2,856,391
	=====	=====	=====	=====
Earnings per share				
Net earnings per share, basic and diluted	\$0.52	\$0.44	\$0.87	\$0.76
	=====	=====	=====	=====
Weighted average common shares outstanding basic and diluted	3,755,760	3,755,760	3,755,760	3,757,031
	=====	=====	=====	=====

See notes to condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES
PART I. FINANCIAL INFORMATION
ITEM I. FINANCIAL STATEMENTS
CONSOLIDATED STATEMENTS OF CASH FLOW
(UNAUDITED)

	Six Months Ended June 30, 1999	June 30, 1998
	-----	-----
Cash Flows from Operating Activities		
Net income	\$ 3,254,341	\$ 2,856,391
Adjustments to reconcile net income to net cash Provided by operating activities:		
Depreciation & amortization	3,175,636	2,596,329
Deferred taxes	(59,460)	270,627
Investment (gains)/losses	(742,776)	(741,692)
Minority share of income, net of distributions	(90,282)	242,005
Other	66,967	57,809
Decrease/(increase) in		
Accounts receivable	(176,014)	(1,064,505)
Materials	150,261	122,505
Increase/(decrease) in		
Accounts payable	355,947	(89,389)
Income taxes payable	401,226	553,866
Deferrals & accruals	(404,031)	424,638
	-----	-----
Net cash provided by operating activities	5,931,815	5,228,584
Cash Flows From Investing Activities		
Purchase of property and equipment	(4,666,121)	(6,897,415)
Purchase of intangible assets	(486,214)	0
Purchase of investment securities	(138,697)	(623,457)
Maturities of certificates of deposit	0	104,122
Maturity of investment securities	499,581	1,098,998
Cash flows from securities	898,355	335,231
	-----	-----
Net cash used in investing activities	(3,893,096)	(5,982,521)
Cash Flows From Financing Activities		
Proceeds from long-term debt	0	2,166,556
Stock redemption	0	(100,000)
Principal payments on long-term debt	(273,936)	(129,157)
	-----	-----
Net cash provided by financing activities	(273,936)	1,937,399
	-----	-----
Net increase in cash and cash equivalents	1,764,783	1,183,462
Cash and cash equivalents:		
Beginning	4,891,109	5,203,521
	-----	-----
Ending	\$ 6,655,892	\$ 6,386,983
	=====	=====

See notes to condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES
PART I. FINANCIAL INFORMATION
ITEM I. FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Shares -----	Common Stock -----	Retained Earnings -----	Accumulated Other Comprehensive Income -----	Total -----
Balance, January 1, 1998	3,760,760	\$ 4,740,677	\$ 40,579,090	\$1,190,717	\$46,510,484
Comprehensive income:					-----
Net income			5,603,775	--	5,603,775
Change in unrealized gain on Securities available-for-sale, Net of tax (\$368,110)				(552,098)	(552,098)
Total comprehensive income					----- 5,051,677
Dividends declared			(1,915,435)		(1,915,435)
Redemption of common stock	(5,000)	(6,300)	(93,700)		(100,000)
	-----	-----	-----	-----	-----
Balance, December 31, 1998	3,755,760	4,734,377	44,173,730	638,619	49,546,726
Comprehensive income					-----
Net income			3,254,341		3,254,341
Change in unrealized gain on Securities available-for-sale, Net of tax (\$2,165)				3,247	3,247
Total comprehensive income					----- 3,257,588
	-----	-----	-----	-----	-----
Balance, June 30, 1999	3,755,760	\$ 4,734,377	\$47,428,071	\$641,866	\$52,804,314
=== ===	=====	=====	=====	=====	=====

See notes to condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. In the opinion of management, the accompanying condensed consolidated financial statements, contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly Shenandoah Telecommunications Company's financial position as of June 30, 1999 and the results of operations and cash flows for the six-month periods ended June 30, 1999 and 1998.

While the Company believes that the disclosures presented are adequate, to make the information not misleading it is suggested that these financial statements be read in conjunction with the financial statements and notes included in the Company's annual report on Form 10-K.

2. The results of operations for the six-month period ended June 30, 1999 and 1998 are not necessarily indicative of the results to be expected for the full year.
3. The earnings per common share were computed on the weighted average number of shares outstanding. The Company has stock options outstanding, which are not dilutive; therefore basic and diluted earnings per share are the same.
4. The Company has identified nine reporting segments based on the products and services each provide. Each segment is managed and evaluated separately because of differing technologies and marketing strategies. A summary of external revenues and net income for each segment is as follows:

Subsidiary	Six Months June 30, 1999		Six Months June 30, 1998	
	External Revenues	Net Income	External Revenues	Net Income
-----	-----	-----	-----	-----
Holding	\$ -	\$ 252,759	\$ -	\$ 189,554
Telephone	7,877,743	2,903,950	7,764,286	2,850,982
Cable TV	1,662,261	(134,971)	1,500,901	(82,505)
ShenTel	1,729,603	(37,562)	1,099,968	(220,853)
Leasing	6,028	10,725	8,888	12,891
Mobile	5,580,036	842,762	4,483,371	739,437
Long Distance	521,782	102,386	1,577,684	52,828
Network	323,043	148,406	434,995	151,090
PCS	1,640,300	(834,114)	307,467	(837,033)
-----	-----	-----	-----	-----
Total	\$19,340,796	\$ 3,254,341	\$17,177,560	\$ 2,856,391
	=====	=====	=====	=====

SHENANDOAH TELECOMMUNICATIONS COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. Factors that might cause such a difference include, but are not limited to changes in the interest rate environment; management's business strategy; national, regional, and local market conditions; and legislative and regulatory conditions. Readers should not place undue reliance on forward-looking statements, which reflect management's view only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Shenandoah Telecommunications Company is a diversified telecommunications holding company providing both regulated and unregulated telecommunications services through its eight wholly-owned subsidiaries.

This industry has, for some time, been in a period of transition from a protected monopoly to a competitive environment. A milestone in this transition was the passage of the Telecommunications Act of 1996. As a result of this ongoing change, Shenandoah Telecommunications has made and plans to continue to make significant investments in the new and emerging technologies.

The most significant revenues are from the telephone local exchange company accounting for 39.5% of revenue and the cellular dominated operations of the Mobile subsidiary, accounting for 30.9% of revenue during the most recent quarter. Other significant services provided are paging, personal communications services (PCS), cable television, Internet access, long distance, and fiber facilities and towers leased to other telecommunications carriers. The Company also sells and leases equipment, mainly related to services provided and also participates in emerging technologies by direct investment in non-affiliated companies.

RESULTS OF OPERATIONS

Access revenues are fees for connection to the local exchange network charged to interexchange carriers. The volume for approximately two-thirds of these access revenues typically correlates with changes in minutes of use. This has not held true in 1999 due to rate reductions effective January 1, 1999. The minutes of use during the second quarter and the first six months of 1999 increased .2% and 2.9% respectively from the total minutes of use in comparative periods in 1998. The revenue decreased 2.7% in the second quarter and 3.7% year-to-date for the associated revenues.

SHENANDOAH TELECOMMUNICATIONS COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS (Continued)

Second quarter cable television revenues increased 11.8% over the second quarter of 1998, due principally to a rate increase effective April 1, 1999. The year-to-date increase is 10.8%.

The increase in the ShenTel Service revenues category for the second quarter of 1999 compared to 1998 was 38.9%. The year-to-date increase is 57.2%. This was due to increases in Internet Service revenues. The second quarter Internet revenues increased \$206,509 or 57.0%. Second quarter 1998 revenues from our Internet Service operations increased \$95,859 or 69.1% compared to the second quarter of 1997. Equipment sales revenue for the second quarter of 1999 increased \$29,212 over second quarter 1998.

The Mobile revenues are mainly comprised of revenues from cellular services. Total cellular revenues represented 24.6% of the Company's revenues during the second quarter. Second quarter 1999 local cellular revenues increased \$124,609 or 11.4% compared to the same period in 1998. The year-to-date increase is \$233,017 or 11.1%. Price reductions in our service plans were more than offset by customer growth. The year-to-date increase in outcollect roamer revenues is \$708,384 or 33.8%. This change is attributed to additional network facilities our Company placed in service in late 1998, complemented growth in usage. Total revenues from the Cellular operation accounted for 27.0% of total Company revenues year-to-date, compared to 24.6% for the first six months of 1998.

Long Distance revenues are principally for toll calls placed to locations outside the regulated telephone service area. These revenues increased by 11.7% for the second quarter and 20.0% for the first six months as compared to the corresponding periods in 1998. New discount calling plans have increased market share, and in combination with reduced line costs from a new contract, resulted in improved profitability for the Long Distance subsidiary.

Network revenues are derived from fiber facility leases in Maryland and West Virginia. These revenues increased 10.1% in the second quarter and 5.1% in the first six months as compared to the corresponding periods in 1998. Additional leases have been offset in part by rate reductions in this increasingly competitive business.

Cost of Goods Sold decreased 14.2% in the second quarter compared to the same period in 1998. The year-to-date increase is 6.9%. This is due primarily to the decrease in ShenTel equipment sales.

SHENANDOAH TELECOMMUNICATIONS COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS (Continued)

Plant Specific expenses consist mainly of maintenance to the Company's plant in service. This expense category increased 33.6% in the second quarter compared to the second quarter of 1998. The year-to-date increase is 19.9% over the same period of 1998, principally in the Telephone, Cable Television, and PCS companies due to network expansions.

The expense category Network and Other consists primarily of network support, engineering, and leased facilities costs. This was our largest expense category in the second quarter. These costs increased 13.9% in the second quarter compared to the second quarter of 1998. The year-to-date increase is 16.9%. These increases are primarily due to increased incollect roaming costs in the cellular operation, and increased leased facilities costs in the PCS and Internet operations due to network expansion.

Depreciation and Amortization, historically our largest expense category, was 23.3% higher in the second quarter of 1999 compared to the same period in 1998. This is principally due to the pace of plant additions due mainly to the expansion of our fiber network and Cable TV upgrade. Plant in Service increased \$3,331,485 or 3.8% at the end of second quarter 1999 compared to year-end 1998. Depreciation expense has also been increased as a result of decreasing the useful life estimates on a portion of the wireless equipment. The year-to-date increase is 22.4%.

Customer operations increased 5.9% for the quarter and 3.6% year-to-date compared to the same periods in 1998. These costs are for the marketing and sales, billing, and customer service functions. Customer growth in the Internet and cellular businesses is primarily responsible for the increase.

The Other Operating Expense category consists of royalty expense paid to programming providers for the Cable Television subsidiary.

Interest expense has increased 5.5% in the second quarter compared to the second quarter of 1998, and increased 24.5% year-to-date.

SHENANDOAH TELECOMMUNICATIONS COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

The Company has a note with CoBank to borrow up to \$25 million. The term of the loan is for up to 15 years, with multiple interest options. The Company has borrowed \$18,280,000 at July 31 against this note, with the last draw made in the first quarter of 1998. The Company is currently in discussions with CoBank about extending and enlarging this facility, particularly with regard to potential capital requirements for our PCS operation. A loan agreement with the RTB allows for additional borrowings of approximately \$2,800,000. Expenditures of these loan funds are limited to capital projects for the regulated local exchange carrier.

The Company has a \$2 million line of credit with First Union Bank and a \$5 million line of credit with CoBank. No draws are outstanding on these lines of credit as of July 31, 1999.

The Company budgeted potential capital expenditures of approximately \$17,800,000 for our subsidiaries in 1999. These capital needs will be met through internally generated cash flows and the existing CoBank facility and Rural Telephone Bank note.

PCS TRANSITION

Our PCS subsidiary has operated a GSM network since January 1996 under an agreement with American Personal Communications (APC), in which switching, billing, and other services are provided by APC. Sprint Spectrum, the current controlling interest of APC, recently announced the APC customer base will be transitioned to CDMA as Sprint PCS customers. We are currently in the process of building a CDMA network for use by Sprint PCS. We have executed purchase orders totaling \$5 million for CDMA equipment to be installed by the end of this year. The Company's GSM equipment has a book value of approximately \$6.5 million. Management is exploring various options for disposing of the equipment profitably or at a minimal amount of loss.

IMPACT OF THE YEAR 2000 ISSUE

The Year 2000 (Y2K) issue is the result of computer programs using a two-digit format, as opposed to four digits, to indicate the year. Some computer systems may be unable to interpret dates beyond the year 1999, which could cause a system failure or other computer errors, leading to disruptions in operations. Year 2000 readiness means the ability to (a) continue to operate without substantial interruption attributable to the inability of systems to correctly process, provide, store and receive date data in and around the Year 2000 and (b) to mitigate the risks associated with such system limitations to an acceptable level. The Company has developed a four-phase program for Y2K readiness.

SHENANDOAH TELECOMMUNICATIONS COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

IMPACT OF THE YEAR 2000 ISSUE (Continued)

Phase I (Inventory and Assessment): In this Phase, an inventory was conducted of all hardware and software that might be at risk, including third-party businesses whose Y2K failures might significantly impact the Company, and an assessment was made on corrective direction. A Y2K Task Force, reporting to senior management, started work on this Phase in 1997. The Company determined that software provided by third parties was its most vulnerable link to the Y2K event.

The at-risk software included switching, end user billing, carrier access billing, and financial accounting systems. The Company further identified that it had one mainframe and a local area network consisting of a server and approximately 75 individual microcomputers that may be vulnerable.

Phase II (Strategy): In this Phase, the Company determined whether each at-risk system should be classified as "routine upgrade", "obsolete", or "non-critical." A "routine upgrade" involves the upgrade of hardware or software as part of the normal course of doing business. An "obsolete" designation involves total replacement in that the application no longer meets our business needs. A "non-critical" designation is for those applications that can be addressed through simple work-around solutions, manual updates, or other inexpensive measures. The majority of this classification work was completed mid-1998.

Phase III (Installation and Testing): In this Phase, the selected approach to Y2K remediation is executed. The information that follows reflects the Company's current plans and estimates as of August 1999 and is subject to change. Routine upgrade classification: A performance enhancing upgrade of the mainframe computer, which also made the hardware and operating system Y2K compliant, was performed in the first quarter of 1998. The main telephone switches received new feature upgrades, incorporating Y2K compliance, in the fourth quarter of 1998. The latest releases of end user billing software, placed in service in the second quarter of 1999, have been represented by the vendors to be Y2K compliant. The local area network, comprised of the hardware and software on the server and the microcomputers, was approximately 95% Y2K compliant at the end of the second quarter of 1999. Obsolete classification: The new financial software and new carrier access billing software were placed in service in the second quarter of 1999. Non-critical classification: The measures identified to deal with these low priority systems are expected to be tested by the end of the third quarter of 1999, and implemented as necessary.

SHENANDOAH TELECOMMUNICATIONS COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

IMPACT OF THE YEAR 2000 ISSUE (Continued)

Phase IV (Monitoring and Contingency planning): In this Phase, the implemented changes are monitored and backup plans designed where necessary. With the majority of the required hardware and software changes completed by mid-1999, the Company is utilizing the changes in a production setting. This approach minimized disruption to current operations and had provided a basis for ongoing testing and monitoring. Contingency plans have not been deemed necessary as of mid-1999. With this four-phase program, where the normal business practice of weighing replacement against adopting routine upgrades was followed, the Company's non-routine expense in making its core operations Y2K compliant has thus far been minimal. The Company has also reviewed other third party relationships that could affect its operation. Most relationships are with large interexchange carriers and suppliers who state that they are or will be Y2K compliant.

SHENANDOAH TELECOMMUNICATIONS COMPANY

PART II. OTHER INFORMATION

ITEM 4. Submission of Matters to a Vote of Security Holders

(a) At the Annual Meeting of Shareholders of the Company held on April 20, 1999, 2,616,619 of the Company's 3,755,760 outstanding shares were present in person or by proxy and entitled to vote, which constituted a quorum.

(b) At the Annual Meeting, the following nominees were elected:

CLASS I DIRECTORS - To serve until the 2002 Annual Meeting

Douglas C. Arthur
Harold Morrison, Jr.
Zane Neff

(c) At the Annual Meeting, the following matters were voted upon and received the vote set forth below:

(1) Election of Directors. Provided that a quorum is present, the nominees receiving the greatest number of votes cast are elected as directors and, as a result in tabulating the vote, votes withheld have no effect upon the election of directors. Each nominee for director was elected, having received the following vote:

NOMINEE	FOR	WITHHELD
Douglas C. Arthur	2,542,826	73,793
Harold Morrison, Jr.	2,562,054	54,565
Zane Neff	2,576,772	39,847

ITEM 6. Exhibits and Reports on Form 8-K

- A. Exhibit No. 27 - Financial Data Schedule
- B. No reports on Form 8-K were file for the period covered by this report.

SHENANDOAH TELECOMMUNICATIONS COMPANY

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SHENANDOAH TELECOMMUNICATIONS COMPANY
(Registrant)

August 11, 1999

/s/ CHRISTOPHER E FRENCH

Christopher E. French
President

August 11, 1999

/s/ LAURENCE F PAXTON

Laurence F. Paxton
Vice President - Finance

6-MOS

DEC-31-1999
JAN-01-1999
JUN-30-1999
6,655,892
8,610,027
4,448,030
0
3,337,876
14,936,502
98,589,173
31,840,343
96,507,524
5,177,360
28,988,410
0
0
4,734,377
48,069,937
96,507,524
0
19,340,796
754,583
13,437,528
0
0
910,126
5,209,444
1,955,103
3,253,341
0
0
0
3,254,341
.87
.87