

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 September 30, 1994 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) 54-1162807 (I.R.S. 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: (703) 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 October 1, 1994
Common Stock, No Par Value 1,880,380 Shares

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

PART I, FINANCIAL INFORMATION
ITEM I, FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS

ASSETS

	Sept 30, 1994	December 31, 1993
	-----	-----
CURRENT ASSETS		
Cash & cash equivalents	\$6,306,702	\$5,695,891
Short Term Investments	4,125,616	3,684,281
Accounts Receivable	2,564,809	2,284,197
Income Taxes Receivable	63,612	0
Leases Receivable (Net)	63,243	63,243
Materials	1,622,412	1,545,082
Prepaid Expenses	200,075	356,678
	-----	-----
Total Current Assets	\$14,946,469	\$13,629,372
	-----	-----
NONCURRENT ASSETS		
Marketable Securities	\$6,600	\$6,600
Investment in Direct Financing Leases	191,213	55,620

Other Investments	4,556,521	4,456,621
	-----	-----
Total Noncurrent Assets	\$4,754,334	\$4,518,841
	-----	-----
PLANT, PROPERTY AND EQUIPMENT		
Plant in Service	\$49,166,929	\$47,290,763
Plant Under Construction	413,211	476,378
Less Accumulated Depreciation	17,726,746	16,263,290
	-----	-----
Net Plant, Property, and Equipment	\$31,853,394	\$31,503,851
	-----	-----
TOTAL ASSETS	\$51,554,197	\$49,652,064
	=====	=====

See accompanying notes to consolidated financial statements.
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SHENANDOAH TELECOMMUNICATIONS COMPANY
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LIABILITIES AND STOCKHOLDERS' EQUITY

	Sept 30, 1994	December 31, 1993
	-----	-----
CURRENT LIABILITIES		
Accounts Payable	\$376,279	\$537,884
Advance Billing	215,988	550,413
Customer Deposits	145,492	147,952
Accrued Vacation	225,899	207,491
Current Maturities of		
Long-Term Debt	379,394	329,891
Income Taxes Payable	0	462,325
Other Accrued Taxes	228,119	43,294
Other Current Liabilities	850,839	963,752
Notes Payable	0	875,000
	-----	-----
Total Current Liabilities	\$2,422,010	\$4,118,002
	-----	-----
LONG TERM DEBT	\$8,719,446	\$9,051,922
	-----	-----
OTHER LIABILITIES AND DEFERRED CREDITS		
Deferred Investment Credits	\$462,284	\$518,545
Deferred Income Taxes	3,067,199	2,983,069
Other	879,803	808,343
	-----	-----
Total Other Liabilities and		
Deferred Credits	\$4,409,286	\$4,309,957
	-----	-----
Minority interest in		
subsidiaries	\$1,267,968	\$996,176
	-----	-----

See accompanying notes to consolidated financial statements.

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LIABILITIES AND STOCKHOLDERS' EQUITY

	Sept 30, 1994	December 31, 1993
	-----	-----
STOCKHOLDERS' EQUITY		
Common Stock, no par, 4,000,000 shares authorized (1,880,380 shares issued and outstanding)	\$4,700,950	\$4,700,950
Additional Paid-in Capital	39,727	39,727
Retained Earnings	29,994,810	26,435,330
	-----	-----
Total Stockholders' Equity	\$34,735,487	\$31,176,007
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$51,554,197	\$49,652,064
	=====	=====

See accompanying notes to consolidated financial statements.

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SHENANDOAH TELECOMMUNICATIONS COMPANY
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PART I, FINANCIAL INFORMATION
ITEM I, FINANCIAL STATEMENTS
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three months ended		Nine months ended	
	Sept 30		Sept 30	
	----- 1994	1993 -----	----- 1994	1993 -----
OPERATING REVENUES	----	----	----	----
Telephone Revenues				
Local Service	\$730,827	\$671,370	\$2,125,290	\$1,968,076
Access	1,595,298	1,680,092	4,870,847	4,722,569
Toll	(14,219)	2,421	(31,768)	4,297
Miscellaneous:				
Directory	249,358	241,245	764,398	738,712
Facility Leases	312,653	229,807	915,946	761,058
Billing & Collection	120,504	114,047	342,663	330,104
Other Miscellaneous	14,776	27,355	122,082	87,681
	-----	-----	-----	-----
Total Telephone Revenues	3,009,197	2,966,337	9,109,458	8,612,497
Cable Television Revenues	190,442	167,829	533,762	520,756
ShenTel Service Revenues	432,134	241,454	1,183,839	761,600
Leasing Revenues	5,074	39,857	14,585	125,544
Mobile Revenues	1,124,254	898,886	3,080,368	2,300,452
Long Distance Revenues	295,906	331,063	863,731	976,309
Network Revenues	80,197	94,042	240,592	294,854
	-----	-----	-----	-----
Total Revenues and Sales	5,137,204	4,739,468	15,026,335	13,592,012
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(UNAUDITED)

	Three months ended		Nine months ended	
	Sept 30		Sept 30	
	----- 1994	----- 1993	----- 1994	----- 1993
OPERATING EXPENSES	----	----	----	----
Cost of Products and Services Sold	201,034	112,284	535,175	427,339
Line Costs	137,986	130,119	395,441	389,852
Plant Specific	431,834	485,695	1,218,587	1,322,388
Plant Non-Specific:				
Network & Other	407,515	438,818	1,236,553	1,203,377
Depreciation and Amortization	710,501	638,876	2,037,272	1,881,296
Customer Operations	611,345	550,665	1,738,944	1,605,627
Corporate Operations	524,438	466,965	1,430,902	1,373,366
Other Operating Income & Expense	39,858	34,090	113,143	101,844
Taxes other than income	82,332	57,900	246,885	180,983
	-----	-----	-----	-----
Total Operating Expenses	3,146,843	2,915,412	8,952,902	8,486,072
	-----	-----	-----	-----
Operating income	1,990,361	1,824,056	6,073,433	5,105,940
Non-operating income less expenses	73,483	36,174	118,899	(67,098)
Interest expense	171,257	151,669	493,520	453,454
	-----	-----	-----	-----
Income before taxes	1,892,587	1,708,561	5,698,812	4,585,388
Provision for income taxes	561,700	587,166	1,867,540	1,594,081
	-----	-----	-----	-----
Net income before minority interest	1,330,887	1,121,395	3,831,272	2,991,307

See accompanying notes to consolidated financial statements

SHENANDOAH TELECOMMUNICATIONS COMPANY
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(UNAUDITED)

	Three months ended Sept 30		Nine months ended Sept 30	
	1994	1993	1994	1993
OPERATING EXPENSES	----	----	----	----
Minority interest	(110,597)	(53,170)	(271,792)	(56,806)
Net Income	\$1,220,290	\$1,068,225	\$3,559,480	\$2,934,501
	=====	=====	=====	=====
EARNINGS PER SHARE				
Weighted Average Common Shares Outstanding	1,880,380	1,880,380	1,880,380	1,880,380
	=====	=====	=====	=====
Net Earnings per Share	\$0.65	\$0.57	\$1.89	\$1.56
	=====	=====	=====	=====

See accompanying notes to consolidated financial statements

SHENANDOAH TELECOMMUNICATIONS COMPANY
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PART I, FINANCIAL INFORMATION
ITEM I, FINANCIAL STATEMENTS
CONSOLIDATED STATEMENTS OF CASH FLOW
(UNAUDITED)

	NINE MONTHS ENDED 1994	SEPT 30 1993
OPERATING ACTIVITIES:		
Cash received from customers	\$14,807,173	\$13,629,133
Dividends received	746	3,815
Interest received	223,099	130,148
	-----	-----
Cash Received from Operations	15,031,018	13,763,096
Cash paid to suppliers and employees	6,797,007	6,353,901
Interest paid	495,096	454,720
Income taxes paid	2,359,778	1,885,341
	-----	-----
Cash Disbursed for Operations	9,651,881	8,693,962
Net Cash Provided by Operating Activities	5,379,137	5,069,134
INVESTMENT ACTIVITIES:		
Additions to property, plant, and equipment	(2,579,252)	(2,974,402)
Cash received from equipment sales	20,223	16,048
Investment in Direct Financing Leases	(187,550)	(67,897)
Payments Received on Direct Financing Leases	51,955	264,086
Payment received on note	0	103,000
Issuance of note receivable	(250,000)	0
Sale of short-term investments	1,407,165	582,898
Purchase of short-term investments	(1,848,500)	(1,521,071)
Purchase of long-term investment in stock	(200,000)	(604,200)
Return of investment in partnerships	50,697	8,118
Purchase of other investments	(75,090)	(289,042)
	-----	-----
Net Cash Provided (Consumed) by Investment Activities	(3,610,352)	(4,482,462)

See accompanying notes to consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY
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(UNAUDITED)

NINE MONTHS ENDED SEPT 30

	1994	1993
FINANCING ACTIVITIES:		
Payments of short-term debt	(875,000)	0
Proceeds from issuance of long-term debt	0	975,450
Principal payments on long-term debt	(282,974)	(257,417)
	-----	-----
Net Cash Provided (Consumed) by Financing Activities	(1,157,974)	718,033
	-----	-----
Net Increase (Decrease) in Cash Cash & Cash Equivalents-Beginning of the Year	610,811	1,304,705
	5,695,891	2,528,610
	-----	-----
Cash & Cash Equivalents-End of the Period	\$6,306,702	\$3,833,315
	=====	=====

See accompanying notes to consolidated financial statements.

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PART I, FINANCIAL INFORMATION
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CONSOLIDATED STATEMENTS OF CASH FLOW
(UNAUDITED)

RECONCILIATION OF EARNINGS TO
NET CASH FLOW FROM OPERATING
ACTIVITIES

	NINE MONTHS ENDED 1994	SEPT 30 1993
Net Income	\$3,559,480	\$2,934,501
Adjustments to reconcile Net Income to net cash provided by operating activities:		
Depreciation	2,037,272	1,881,296
Amortization of debt issue cost	1,082	1,082
Change in deferred ITC	(56,261)	(56,776)
Change in deferred taxes	89,961	(92,317)
Loss on equity method investments	112,271	89,998
Minority interest in subsidiary	271,792	56,807
Partial writeoff of cost method investment	0	93,750
Decrease (Increase) in:		
Accounts receivable	(30,612)	11,222
Materials & supplies	(77,329)	90,750
Reclass from Plant to Inventory	149,773	117,507
Other current assets	161,681	185,693
Increase (Decrease) in:		
Accounts payable	(138,931)	(2,168)
Interest payable	(1,576)	(1,266)
Advance billing and payments	(334,425)	(324,687)
Customer deposits	(2,460)	21,997
Income taxes payable	(525,937)	(142,167)
Other taxes payable	184,825	115,959
Other current liabilities	(92,928)	(105,389)
Other liabilities & deferrals	71,459	193,342
	-----	-----
Net Cash Provided by Operating Activities	\$5,379,137 =====	\$5,069,134 =====
Non-cash Investment & Financing activities:		
Plant financed through accounts payable was \$11,769 \$50,417 \$34,443 and \$243,348 at 9/30/94, 9/30/93, 12/31/93, and 12/31/92 respectively.		

See accompanying notes to consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. In the opinion of management, the accompanying consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly Shenandoah Telecommunications Company's financial position as of September 30, 1994 and the results of operations and cash flows for the six and nine month periods ended September 30, 1994 and 1993.

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

2. Earnings per share of common stock have been determined by using the weighted average number of shares outstanding during the period.
3. The results of operations for the nine month period ended September 30, 1994 are not necessarily indicative of the results to be expected for the full year.

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SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

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

Summary

The following tables set forth, for the periods indicated, the percentages which certain items reflected in the financial data bear to total operating revenues and the percentage increase of such items as compared to the indicated prior period:

	RELATIONSHIP TO				PERIOD TO PERIOD			
	TOTAL OPERATING REVENUES				INCREASE OR DECREASE			
	Three months ended Sept 30		Nine months ended Sept 30		Three months ended Sept 30		Nine months ended Sept 30	
	1994	1993	1994	1993	1994-93	1993-92	1994-93	1993-92
OPERATING REVENUES								
Telephone Revenues								
Local Service	14.1%	14.2%	14.1%	14.7%	8.9%	6.3%	8.0%	5.2%
Access	31.1%	35.4%	32.4%	34.7%	-5.0%	11.3%	3.1%	13.9%
Toll	-0.3%	0.1%	-0.2%	0.0%	-687.3%	-89.3%	-839.3%	-91.3%
Miscellaneous:								
Directory	4.9%	5.1%	5.1%	5.4%	3.4%	12.1%	3.5%	10.9%
Facility Leases	6.1%	4.8%	6.1%	5.6%	36.1%	-29.1%	20.4%	-21.6%
Billing & Collection	2.3%	2.4%	2.3%	2.4%	5.7%	20.7%	3.8%	-30.0%
Other Miscellaneous	0.3%	0.6%	0.8%	0.6%	-46.0%	-36.4%	39.2%	-31.2%
Total Telephone Revenues	58.5%	62.6%	60.6%	63.4%	1.4%	4.4%	5.8%	3.7%
Cable Television Revenues	3.7%	3.5%	3.6%	3.8%	13.5%	-2.1%	2.5%	6.7%
ShenTel Service Revenues	8.4%	5.1%	7.9%	5.6%	79.0%	7.9%	55.4%	13.9%
Leasing Revenues	0.1%	0.8%	0.1%	0.9%	-87.3%	-18.6%	-88.4%	-26.4%
Mobile Revenues	21.9%	19.0%	20.5%	16.9%	25.1%	42.1%	33.9%	29.1%
Long Distance Revenues	5.8%	7.0%	5.7%	7.2%	-10.6%	4.8%	-11.5%	4.8%
Network Revenues	1.6%	2.0%	1.6%	2.2%	-14.7%	7.3%	-18.4%	21.8%
Total Revenues and Sales	100.0%	100.0%	100.0%	100.0%	8.4%	9.7%	10.6%	8.0%

SHENANDOAH TELECOMMUNICATIONS COMPANY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

	RELATIONSHIP TO				PERIOD TO PERIOD			
	TOTAL OPERATING REVENUES				INCREASE OR DECREASE			
	Three months ended Sept 30 1994		Nine months ended Sept 30 1994		Three months ended Sept 30 1994-93		Nine months ended Sept 30 1994-93	
OPERATING EXPENSES								
Cost of Products and Services Sold	3.9%	2.4%	3.6%	3.1%	79.0%	-20.0%	25.2%	1.9%
Line Costs	2.7%	2.7%	2.6%	2.9%	6.0%	-7.5%	1.4%	-12.0%
Plant Specific	8.4%	10.2%	8.1%	9.7%	-11.1%	24.7%	-7.8%	7.6%
Plant Non-Specific:								
Network & Other	7.9%	9.3%	8.2%	8.9%	-7.1%	28.3%	2.8%	26.8%
Depreciation and Amortization	13.8%	13.5%	13.6%	13.8%	11.2%	17.9%	8.3%	12.0%
Customer Operations	11.9%	11.6%	11.6%	11.8%	11.0%	0.0%	8.3%	1.9%
Corporate Operations	10.2%	9.9%	9.5%	10.1%	12.3%	15.9%	4.2%	14.2%
Other Operating Income & Expense	0.8%	0.7%	0.8%	0.7%	16.9%	11.2%	11.1%	11.2%
Taxes other than income	1.6%	1.2%	1.6%	1.3%	42.2%	-9.3%	36.4%	0.1%
Total Operating Expenses	61.2%	61.5%	59.6%	62.3%	7.9%	12.0%	5.5%	9.2%
Operating income	38.7%	38.5%	40.4%	37.6%	9.1%	6.1%	18.9%	6.1%
Non-operating income less expenses	1.4%	0.8%	0.8%	-0.5%	103.1%	29.7%	-277.2%	156.0%
Interest expense	3.3%	3.2%	3.3%	3.3%	12.9%	-12.2%	8.8%	-8.6%
Income before taxes	36.8%	36.0%	37.9%	33.7%	10.8%	6.9%	24.3%	3.3%

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	RELATIONSHIP TO				PERIOD TO PERIOD			
	TOTAL OPERATING REVENUES				INCREASE OR DECREASE			
	Three months ended Sept 30 1994		Nine months ended Sept 30 1994		Three months ended Sept 30 1994-93		Nine months ended Sept 30 1994-93	
OPERATING EXPENSES								
Provision for income taxes	10.9%	12.4%	12.4%	11.7%	4.3%	4.0%	17.2%	1.0%
Net income before minority interest	25.9%	23.7%	25.5%	22.0%	18.7%	8.6%	28.1%	4.6%
Minority interest	-2.2%	-1.1%	-1.8%	-0.4%	108.0%	765.4%	378.5%	-381.6%
Net Income	23.8%	22.5%	23.7%	21.6%	14.2%	4.0%	21.3%	1.9%

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SHENANDOAH TELECOMMUNICATIONS

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

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

The regulated telephone local exchange company is by far the largest subsidiary, accounting for over 61% of revenue and 83% of net income. This industry is in a period of transition from a protected monopoly to a competitive environment with changing technology. As a result, Shenandoah Telecommunications has made and plans to continue to make significant investments in the new and emerging technologies.

Other significant services provided are cellular phone, cable television, long distance, and facilities leased to interexchange carriers on a Company owned fiber optic cable network. The Company also sells and leases equipment, mainly related to services provided.

The Company also participates in emerging technologies by direct investment in non-affiliated companies.

RESULTS OF OPERATIONS

The Company's largest source of revenue continues to be for access to the Company's local exchange network by interexchange carriers. The volume for these access revenues are measured in minutes of use. The minutes of use during the first nine months of 1994 increased 6.79% compared to the same period in 1993. Minutes of use for the third quarter of 1994 increased 5.18% compared to third quarter 1993. Changes in NECA settlement procedures, effective July 1, 1994, accounted for the balance of the revenue decrease from third quarter 1993 to third quarter 1994.

The increase in the ShenTel Service revenues category for the third quarter and the first nine months compared to 1993, is due to an increase in retail equipment sales. The increase equaled \$219,988 year-to-date, and \$93,521 for the quarter.

The increase in revenues reported on the Mobile revenues line of the financial statement was due to growth in our cellular operation. Our cellular service revenues have increased \$773,288 year-to-date over 1993, and \$220,254 over the third quarter of 1994. Airtime minutes of use increased 37.30% in the first nine months from the same period in 1993. Airtime minutes of use in the third quarter of 1994 increased 27.80% from the third quarter of 1993. In 1994, customers are being added at a rate below that of last year. During the first nine months of 1994, net additions of customers were 42.06% less than the additions for the same period in 1993. Net additions for the third quarter of 1994 were 40.72% below those in the third quarter of 1993. PAGE

SHENANDOAH TELECOMMUNICATIONS

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

RESULTS OF OPERATIONS (Continued)

The decrease in Leasing revenues is the result of the expiration of major leases discussed in previous reports.

In late 1992, the United States Congress passed legislation for the re-regulation of cable television systems. As a result of this legislation, the FCC froze the rates cable systems can charge their subscribers. This rate freeze expired May 15, 1994. The regulation may be administered by local authorities for basic services and equipment. None of the local governments within the Company's cable television serving area have indicated that they will exercise their authority to regulate rates. On September 1 the Company increased its rates for basic and premium service and decreased or eliminated its charges for other services such as rental of converters. September's total revenue for cable television services increased 16.74% over the previous month's total. The Company estimated that our cable rates are within the limits prescribed by the FCC for cable systems of our size.

For the calendar year 1993, the Company's expenses increased at a greater percentage than its revenues. For 1993, expenses increased 9.57% and revenues increased 5.59%. During the first nine months of 1994 this trend was reversed.

One of the factors in this reversal is payroll costs. The total payroll costs decreased 2.96% in the first nine months of 1994 compared with the same period in 1993. Total payroll costs in 1993 increased 7.11% from the previous year.

Another factor was that Depreciation, still our largest expense category, increased at a slower rate than the previous year. Our additions to Property, Plant, and Equipment during the first nine months of 1994 were lower than in the first nine months of 1993, and the assets being placed in service recently have been longer life assets than those placed in service in 1992 and 1993. Computer software placed in service in the second quarter of 1994 has increased this category's rate of change.

The increase in Cellular revenues, discussed above, compared with the increase in the Cellular network costs is another factor. The expenses were 35.42% of service revenues during the first nine months of 1994 compared with 40.31% of revenues during the same period in 1993. These expenses account for the increases in the category Network and Other.

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SHENANDOAH TELECOMMUNICATIONS

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

RESULTS OF OPERATIONS (Continued)

The increase in Taxes Other Than Income is due to a rate increase in the real estate tax for the local jurisdiction in which a majority of our regulated Telephone plant is located.

The Non-operating Income Less Expenses category consists mainly of the income or loss from investments made by the Company. The increase reflected on the income statement is the result of a 11.98% increase in the amount of short-term investments compared to a year earlier and an increase in the rates of returns from those investments. The losses recorded on investments accounted for by the equity method that are also included in this category, decreased 45.25%.

The Company, along with other telecommunications providers, founded an organization that was building a fiber optic network in the Richmond, Virginia metropolitan area. The fiber network would provide competitive access to businesses in the area. Management decided that our potential in the Richmond market would be greater as part of a company already successfully providing competitive access services. As a result, it has been agreed that this business be acquired by Metropolitan Fiber Systems. The agreement is contingent upon MFS securing the appropriate regulatory approvals. Management expects to recognize a gain on the sale in the first quarter of 1995 if the sale is closed. The amount of the gain cannot be determined currently. The Company has recognized losses of \$156,308 year-to-date as our portion of the operations of this organization.

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SHENANDOAH TELECOMMUNICATIONS

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

LIQUIDITY AND CAPITAL RESOURCES

The Company continues to generate a strong cash flow from operations that adequately meets the Company's need for cash. As the FCC licenses new Personal Communication Services, the Company expects increasing competitive pressures on its cellular operations, which may impact cash flow. Due to the competition coming from new sources, management is unable to predict the potential impact on the Company's cash flow.

Other available sources of liquidity are two \$2,000,000 unsecured lines of credit with local banks. No advances have been made from these lines of credit in 1994. The Company has a loan agreement with the Rural Telephone Bank in the amount of \$9,240,000. As of December 31, 1993, the Company had received advances in the amount of \$2,448,350. No new advances have been received during 1994, however, the Company requested an additional draw of \$909,300 (including the required purchase of Rural Telephone Bank stock) at the end of July, and management expects to receive the advance in the fourth quarter. The Company has until February 1, 1996 to complete drawing down these funds. Expenditure of these loan funds is limited to capital projects for the regulated local exchange carrier that are approved by the REA.

The Company has no material commitments for capital expenditures. The Company's Board of Directors has approved a construction budget of \$6,538,683 for 1994. The largest portions of the budget are scheduled for telephone central office equipment and fiber optic cable facilities.

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PART II

OTHER INFORMATION

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

No matters were submitted to a vote of security holders.

ITEM 6. Exhibits and Reports on Form 8-K

(b) Reports on Form 8-K

There were no reports on Form 8-K filed for the nine months ended September 30, 1994.

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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)

November 14, 1994

CHRISTOPHER E. FRENCH
Christopher E. French
President

November 14, 1994

LAURENCE F. PAXTON
Laurence F. Paxton
Vice President - Finance

