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 March 31, 1999

Commission File Number 0-9881

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

Virginia	54-1162806
(State or other jurisdiction of of incorporation or organization	(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: (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 April 30, 1999
Common Stock, No Par Value	3,755,760 Shares

SHENANDOAH TELECOMMUNICATIONS COMPANY
SHENANDOAH TELECOMMUNICATIONS COMPANY

INDEX

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES
PART I. FINANCIAL INFORMATION
ITEM I. FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 1999 (Unaudited)	December 31, 1998
Current Assets		
Cash & cash equivalents	$ 6,722,110	$ 4,891,109
Investment held to maturity sec	0	499,581
Accounts receivable	4,328,367	4,272,016
Materials	3,091,142	3,488,137
Prepaid and other current assets	581,957	777,853
Total Current Assets	14,723,576	13,928,696
Securities and Investments		
Available for sale securities	2,170,794	2,677,789
Other investments	5,792,191	5,921,206
	7,962,985	8,598,995
Net Property, Plant and Equipment		
Plant in service	91,002,585	88,427,844
Plant under construction	5,191,411	5,670,371
	96,193,996	94,098,215
Less accumulated depreciation	30,513,595	29,063,738
	65,680,401	65,034,477
Other Assets		
Cost in excess of net assets of business acquired, less accumulated amortization	4,687,673	4,876,215
Deferred charges and other assets	519,872	354,216
Radio spectrum license net of accumulated amortization	640,922	653,145
	5,848,467	5,883,576
	$ 94,215,429	$ 93,445,744

See accompanying notes to the condensed consolidated financial statements

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES
PART I. FINANCIAL INFORMATION
ITEM I. FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED BALANCE SHEETS

LIABILITIES AND EQUITY

	March 31, 1999 (Unaudited)	December 31, 1999
Current Liabilities		
Current maturities of long-term debt	$ 1,073,309	$ 863,972
Accounts payable	1,218,166	1,149,286
Advance billings & payments	607,914	712,581
Customers' deposits	120,898	113,586
Accrued compensation	624,133	890,443
Other current liabilities	800,836	1,072,422
Income taxes payable	505,007	0
Other taxes payable	567,116	214,433
Total Current Liabilities	5,517,379	5,016,723
Long-term Debt, less current maturities	28,044,137	28,398,374
Other Liabilities and Deferred Credits		
Deferred investment tax credit	128,513	145,909
Deferred income taxes	6,544,195	6,741,121
Pension & other	1,451,416	1,331,465
	8,124,124	8,218,495
Minority Interests	1,987,864	2,265,426
Stockholders' Equity		
Common stock	4,734,377	4,734,377
Retained earnings	45,486,627	44,173,730
Unrealized gains on available for sale securities	320,921	638,619
	50,541,925	49,546,726
	94,215,429	93,445,744

See accompanying notes to the condensed consolidated financial statements

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES
PART I. FINANCIAL INFORMATION
ITEM I. FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three months ended March 31, 1999 (Unaudited)	1998
OPERATING REVENUES		
Telephone revenues		
Local service	$ 960,104	$ 922,032
Access	1,890,951	1,924,320
Toll	5,802	12,634
Miscellaneous:		
Directory	314,146	293,487
Facility leases	502,382	502,615
Billing & collection	123,952	118,424
Other miscellaneous	37,987	41,406
Total telephone revenues	3,835,324	3,814,918
Cable television revenues	785,741	716,668
ShenTel service revenues	932,744	526,367
Leasing revenues	3,294	4,585
Mobile revenues	2,421,434	2,057,042
PCS revenues	702,478	666,736
Long distance revenues	280,259	218,833
Network revenues	153,733	153,733
Total Revenues and Sales	9,115,007	8,158,882
OPERATING EXPENSES		
Cost of products and services sold	462,114	365,258
Line costs	107,176	100,379
Plant specific	755,839	699,411
Plant non-specific:		
Network & other	1,494,575	1,240,576
Depreciation	1,557,936	1,281,531
Customer operations	1,213,148	1,153,851
Corporate operations	668,269	735,277
Other operating expenses	264,517	133,509
Taxes other than income	39,368	218,719
Total Operating Expense	6,562,942	5,928,511
Operating Income	2,552,065	2,230,371

See accompanying notes to the condensed consolidated financial statements

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

	Three months ended March 31, 1999 (Unaudited)	1998
Non-operating income less expense	232,530	209,387
Interest Expense	468,561	312,844
Income before income taxes	2,316,034	2,126,914
Provision for income taxes	784,639	682,942
Net income before minority interest	1,531,395	1,443,972
Minority interest	(218,498)	(255,609)
Net income	$ 1,312,897	$ 1,188,363
Weighted average common shares outstanding	3,755,760	3,758,316
Basic and diluted earnings per share	$ 0.35	$ 0.32

See accompanying notes to the condensed consolidated financial statements

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

	Three months ended March 31, 1999 (Unaudited)	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	1,312,897	1,188,363
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & amortization	1,557,936	1,281,531
Deferred taxes	(196,926)	255,705
Investment (gains)/losses	53,843	(263,333)
Income (losses) on equity investments	(277,562)	(84,391)
Other	(95,720)	156,243
Decrease/(increase) in		
Accounts receivable	(56,351)	(734,410)
Materials	396,995	(827,707)
Increase/(decrease) in		
Accounts payable	68,880	(726,320)
Income taxes payable	505,007	700,650
Deferrals & accruals	33,279	(48,548)
Net cash provided by operating activities	3,302,278	381,751
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property plant & equipment	(2,090,427)	(2,830,985)
Purchase of investment securities	(38,697)	0
Maturity of held-to-maturity securities	499,581	0
Cash flows from securities	303,166	602,638
Other	0	(3,789)
Net cash used in investing activities	(1,326,377)	(2,232,136)
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	(144,900)	(137,347)
Net cash provided by financing activities	(144,900)	1,929,209
NET INCREASE IN CASH	1,831,001	78,824
CASH AND CASH EQUIVALENTS:		
Beginning	4,891,109	5,203,521
Ending	$ 6,722,110	$ 5,282,345

See accompanying notes to the condensed consolidated financial statements

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. In the opinion of management, the accompanying condensed financial statements which are unaudited, except for the condensed balance sheet at December 31, 1998, contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly Shenandoah Telecommunications Company's financial position as of March 31, 1999 and the results of operations and cash flows for the three month periods ended March 31, 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 three-month period ended March 31, 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. Other comprehensive income consists of the unrealized holding gains and losses on the Company's available-for-sale investment. The unrealized holding loss net of tax for the three month period ended March 31, 1999 was $317,698 and the unrealized holding loss net of tax for the three month period ended March 31, 1998 was $395,001. Other comprehensive income equaled $995,199 for the three month period ended March 31, 1999 and $793,361 for the same period in 1998.

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

ITEM II, MANAGEMENTS DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

	RELATIONSHIP TO TOTAL REVENUES		PERIOD TO PERIOD INCREASE OR DECREASE	
	Three months ended March 31,		Three months ended March 31,	
	1999	1998	1999-98	1998-97
OPERATING REVENUES	(Unaudited)		(Unaudited)	
Telephone revenues				
Local service	10.5%	11.3%	4.1%	7.3%
Access	20.8%	23.6%	-1.7%	10.6%
Toll	0.1%	0.2%	-54.1%	105.9%
Miscellaneous:				
Directory	3.5%	3.6%	7.0%	7.5%
Facility leases	5.5%	6.2%	-0.1%	5.4%
Billing & collection	1.4%	1.5%	4.7%	12.8%
Other miscellaneous	0.4%	0.5%	-8.3%	-14.4%
Total telephone revenues	42.1%	46.8%	0.5%	8.8%
Cable television revenues	8.6%	8.8%	9.6%	16.5%
ShenTel service revenues	10.2%	6.5%	77.2%	11.1%
Leasing revenues	0.0%	0.1%	-28.2%	26.6%
Mobile revenues	26.6%	25.2%	17.7%	14.9%
PCS revenues	7.7%	8.2%	5.4%	160.9%
Long distance revenues	3.1%	2.7%	28.1%	-9.6%
Network revenues	1.7%	1.9%	0.0%	0.0%
Total Revenues and Sales	100.0%	100.0%	11.7%	15.9%
OPERATING EXPENSES				
Cost of products and services sold	5.1%	4.5%	26.5%	-8.0%
Line costs	1.2%	1.2%	6.8%	5.3%
Plant specific	8.3%	8.6%	8.1%	12.4%
Plant non-specific:				
Network & other	16.4%	15.2%	20.5%	33.4%
Depreciation	17.1%	15.7%	21.6%	15.4%
Customer operations	13.3%	14.1%	5.1%	15.9%

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

ITEM II, MANAGEMENTS DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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	RELATIONSHIP TO TOTAL REVENUES		PERIOD TO PERIOD INCREASE OR DECREASE	
	Three months ended March 31,		Three months ended March 31,	
	1999	1998	1999-98	1998-97
OPERATING EXPENSES (CONTINUED)	(Unaudited)		(Unaudited)	
Corporate operations	7.3%	9.0%	-9.1%	9.8%
Other operating expenses	2.9%	1.6%	98.1%	-31.5%
Taxes other than income	0.4%	2.7%	-82.0%	122.8%
Total Operating Expense	72.0%	72.7%	10.7%	15.9%
Operating Income	28.0%	27.3%	14.4%	15.7%
Gain on Sale of Investment				
Non-operating income less expense	2.6%	2.6%	11.1%	-8.7%
Interest Expense	5.1%	3.8%	49.8%	-12.2%
Income before income taxes	25.4%	26.1%	8.9%	18.1%
Provision for income taxes	8.6%	8.4%	14.9%	18.6%
Net income before minority interest	16.8%	17.7%	6.1%	17.8%
Minority interest	-2.4%	-3.1%	-14.5%	21.1%
Net income	14.4%	14.6%	10.5%	17.1%

SHENANDOAH TELECOMMUNICATIONS COMPANY

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 nine wholly-owned subsidiaries.

This industry is in a period of transition from a protected monopoly to a competitive environment as evidenced by the passage of the Telecommunications Act of 1996. As a result, Shenandoah Telecommunications has made and plans to continue to make significant investments in the new and emerging technologies and opportunities. The most significant revenue contributors are the regulated telephone local exchange company accounting for 42.1% of revenue and the cellular dominated operations of the Mobile subsidiary, accounting for 26.6% 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. The Company's new subsidiary, ShenTel Communications, was granted a certificate in March 1999 to provide competitive local exchange service in portions of Virginia that are outside the present franchised serving area of our regulated telephone subsidiary. A lengthy planning process, including negotiation for inter-connection with other local exchange carriers, is anticipated. The Company also participates in emerging technologies by direct investment in non-affiliated companies.

RESULTS OF OPERATIONS

The regulated local exchange company's largest source of revenue continues to be for access to the local exchange network by interexchange carriers. The volume for approximately two-thirds of these access revenues generally tracks with changes in minutes of use, subject to tariff changes. The minutes of use during the first quarter of 1999 increased 5.8%, compared to an increase of 11.9% in 1998. The associated revenues decreased 1.7% in first quarter 1999 compared to a 10.6% decrease in 1997. Management attributes the 1999 changes to interstate tariff reductions, and the 1998 changes to inclement weather (which increased access demand) experienced the first quarter of 1997. First quarter cable television revenues increased 9.6% over the first quarter of 1998 due an increase in the customer base and subscriber based rebates. The 1998 increase of 16.5% was due to rate increases and a 4.0% increase in the customer base.

SHENANDOAH TELECOMMUNICATIONS COMPANY

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

RESULTS OF OPERATIONS (Continued)

The increase in the ShenTel Service revenues category for the first quarter of 1999 was 77.2% compared to 11.1% in 1998. This was due to increases in Internet service revenues. First quarter 1999 revenues from our Internet service operations were up $229,000 or 76.4% compared to the first quarter of 1998, and $118,000 or 64.9% during this period the previous year. These increases are due to the increasing customer base. In first quarter 1999, there was also a gain of $164,000 or 23.7% in equipment sales. The increase in Internet access revenues were partially offset by decreases in equipment sales, with a decrease of $70,000 or 50.2% compared to the first quarter of 1998. Financing lease revenues are chiefly for leases and rentals of customer premise equipment such as PBXs sold through Company subsidiaries. The Mobile revenues are mainly comprised of revenues from wireless communications services. First quarter 1999 local cellular revenues increased $108,000 or 10.9% compared to the same period in 1998. First quarter 1999 outcollect roamer revenues increased $161,000 or 16.7% compared to 1998 first quarter, due in part to network expansions and upgrades made in the second half of 1999. Total revenues from the Cellular operation accounted for 24.9% of total Company revenues in the first quarter, compared to 23.9% in the first quarter of 1998. First quarter 1999 Cost of Goods Sold increased $97,000 or 26.5% due principally to an increase in the number of units sold in the cellular operation and equipment sales in the ShenTel subsidiary. The expense category Network and Other consists primarily of network support, engineering and leased facilities costs. Of the 20.5% or $254,000 increase for the first quarter of 1999 over the first quarter of 1998, $101,000 is due from the PCS operation and $168,191 is due to increases from our cellular operation. Depreciation and Amortization, our largest expense category, was $276,000 or 21.6% higher in the first quarter of 1999 compared to 1998. This is due to the pace of plant acquisition. Plant in Service increased $15,645,000 or 20.8% at the end of the first quarter of 1999 compared to 1998. The Other Operating Expense category consists of royalty expense paid to programming providers for the Cable Television subsidiary. The increase in these expenses year-to-date compared with the first quarter of 1998 is due to an increase in channels offered.

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

RESULTS OF OPERATIONS (Continued)

The Non-operating Income Less expenses category consists mainly of the income or loss from investments made by the Company. This category showed an increase of 11.1% in the first quarter compared to the same period in 1998, primarily due to partnership income from one of the telephone subsidiary's investments. Interest expense had increased $156,000 or 49.8% in the first quarter compared to the first quarter of 1998, due primarily to larger capitalized interest costs for plan under construction in the telephone subsidiary. The Company began drawing funds on the CoBank note (described below) in the third quarter of 1996. Draws on this note at March 31, 1999 equaled $18,280,000, an increase of $100,000 from March 31, 1998.

LIQUIDITY AND CAPITAL RESOURCES

On August 2, 1996, the Company signed 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 began drawing these funds in the third quarter of 1996. A majority of these funds were used for the acquisition of the Shenandoah County CATV assets of FrontierVision in September of 1996, and to finance the building of the new network for the PCS operation. The Company anticipates making additional draws on this note in 1999 to fund, in part, the $9,100,000 of potential capital projects for the non-telephone subsidiaries. Under the present terms of the CoBank agreement, no further draws can be made after August 31, 1999. Management is currently in discussion with CoBank about modifying the agreement. The Company budgeted capital expenditures of approximately $8,600,000 for the Telephone subsidiary in 1999. These capital needs will be met through internally generated cash flows and the existing Rural Telephone Bank note. the loan agreement with the RTB allows for additional borrowings of approximately $3,000,000. Expenditures of these loan funds are limited to capital projects for the regulated local exchange carrier. 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.

IMPACT OF THE YEAR 2000 ISSUE (Continued) associated with such system limitations to an acceptable level. The Company has developed a four-phase program for Y2K readiness. 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 February 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, which are currently in testing and are expected to be 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, is scheduled to be Y2K compliant by the end of the second quarter of 1999. Obsolete classification: Approximately 90% of the testing has been completed on new financial software and new carrier access billing software, with both systems scheduled to be 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 second quarter of 1999, and implemented as necessary.

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 will be utilizing the changes in a production setting. This approach minimizes disruption to current operations and provides a basis for ongoing testing and monitoring. Contingency plans, if deemed necessary, will be developed in mid-1999. With this four-phase program, where the normal business practice of weighing replacement against adopting routine upgrades was followed, the Company believes that its non-routine expense in making its core operations Y2K compliant will be 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. This Annual Report to Stockholders 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

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

A. Exhibit 27 - Financial Data Schedule

B. No reports on Form 8-K were filed 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)

May 17, 1999 /s/CHRISTOPHER E. FRENCH
Christopher E. French
President

May 17, 1999 /s/LAURENCE F. PAXTON
Laurence F. Paxton
Vice President - Finance

5

3-MOS
DEC-31-1999
JAN-01-1999
MAR-31-1999
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7,962,985
4,344,451
16,084
3,091,142
14,723,576
96,193,996
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