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, 1998

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 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 November 1, 1998
Common Stock, No Par Value	3,755,760 Shares

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SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

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

ASSETS

	(UNAUDITED) September 30, 1998	December 31, 1997
CURRENT ASSETS		
Cash & Cash Equivalents	$5,575,696	$5,203,521
Certificates of Deposit	100,000	204,122
Investments Held to Maturity Securities	499,581	1,622,433
Accounts Receivable	8,739,295	5,682,798
Materials	3,071,400	3,968,791
Prepaid and Other Current Assets	448,000	507,165
TOTAL CURRENT ASSETS	$18,433,972	$17,188,830
NON-CURRENT ASSETS		
Investment in Available for Sale Securities	$ 2,217,397	$3,597,997
Investment in Held-To-Maturity Securities	0	499,581
Other Investments	5,830,038	4,721,517
TOTAL NON-CURRENT ASSETS	$ 8,047,435	$8,819,095
PROPERTY, PLANT AND EQUIPMENT		
Plant in Service	$86,113,565	$74,144,956

Plant Under Construction	6,305,976	8,232,517
Less Accumulated Depreciation	28,447,665	25,313,297
NET PROPERTY, PLANT AND EQUIPMENT	$63,971,876	$57,064,176
OTHER ASSETS		
Cost in Excess of net assets of Business less Accumulated Amortization	$ 4,982,598	$ 5,157,078
Deferred Charges and Other Assets	341,177	476,687
Radio Spectrum License net of Accumulated Amortization	665,367	702,036
Deposit	$ 5,989,142	$ 6,335,801
TOTAL ASSETS	$96,442,425	$89,407,902

See accompanying notes to consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY
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PART I, FINANCIAL INFORMATION
ITEM I, FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	(UNAUDITED) September 30, 1998	December 31, 1997
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	$ 522,615	$ 544,954
Accounts Payable	3,699,585	3,743,701
Advance Billings and Payments	349,327	631,815
Customers' Deposits	110,125	98,905
Other Current Liabilities	1,771,801	1,926,769
Income Taxes Payable	1,027,417	0
Other Taxes Payable	439,528	153,678
TOTAL CURRENT LIABILITIES	$ 7,920,398	$ 7,099,822
LONG TERM DEBT, LESS CURRENT MATURITIES	28,825,163	26,815,706
OTHER LIABILITIES AND DEFERRED CREDITS		
Deferred Investment Tax Credits	$163,305	$ 216,256
Deferred Income Taxes	5,412,752	5,987,860
Pension and Other	1,226,367	883,568
	6,802,424	7,087,684
MINORITY INTERESTS	$ 2,504,434	$ 1,894,206
STOCKHOLDERS' EQUITY		
Common Stock	$ 4,734,377	$ 4,740,677
Retained Earnings	45,293,245	40,579,090
Unrealized Gain on available-for-sale securities	362,384	1,190,717
	50,390,006	46,510,484
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$96,442,425	$89,407,902

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 September 30		Nine months ended September 30	
	1998	1997	1998	1997
OPERATING REVENUES				
Telephone Revenues				
Local Service	$962,261	$928,153	$2,813,616	$2,670,093
Access	1,914,811	1,912,794	5,861,962	5,401,305
Toll	18,800	7,446	49,142	20,920
Miscellaneous:				
Directory	287,577	276,707	888,724	841,880
Facility Leases	528,230	492,197	1,525,164	1,478,567
Billing & Collection	133,238	115,337	389,372	328,758
Other Miscellaneous	30,174	36,953	111,398	93,280
Total Telephone Revenues	3,875,091	3,769,587	11,639,378	10,834,803
Cable Television Revenues	802,010	635,619	2,302,911	1,876,770
ShenTel Service Revenues	716,104	538,855	1,816,072	1,539,376
Leasing Revenues	3,965	3,539	12,853	10,935
Mobile Revenues	2,611,213	2,238,521	7,094,584	6,192,078
PCS Revenues	847,990	478,586	2,425,674	1,186,458
Long Distance Revenues	251,484	220,100	686,479	696,332
Network Revenues	153,733	153,733	461,200	461,200
Total Revenues and Sales	9,261,590	8,038,540	26,439,151	22,797,952
OPERATING EXPENSES				
Cost of Products and Services Sold	418,974	486,282	1,125,201	1,353,657
Line Costs	89,812	97,966	299,178	291,112
Plant Specific	833,803	705,510	2,142,949	1,999,365
Plant Non-Specific:				
Network & Other	1,384,463	1,102,724	4,068,187	3,102,389
Depreciation and Amortization	1,386,371	1,187,999	3,980,466	3,449,816

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SHENANDOAH TELECOMMUNICATIONS COMPANY
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PART I, FINANCIAL INFORMATION
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CONSOLIDATED STATEMENTS OF INCOME
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	Three months ended September 30		Nine months ended September 30	
	1998	1997	1998	1997
OPERATING EXPENSES (Continued)				
Customer Operations	$1,271,145	$1,126,625	$ 3,683,190	$3,157,588
Corporate Operations	620,100	662,455	1,959,632	1,951,810
Other Operating Expenses	225,188	179,519	653,990	523,446
Taxes other than income	124,394	106,406	392,076	315,106
Total Operating Expenses	6,354,250	5,655,486	18,304,869	16,144,289
Operating income	2,907,340	2,383,054	8,134,282	6,653,663
Gain on Sale of Investment	2,000	0	2,000	0
Non-operating income less expenses	965,914	427,147	1,588,681	911,977
Interest expense	431,429	409,832	1,162,695	1,154,001
Income before taxes	3,443,825	2,400,369	8,562,268	6,411,639
Provision for income taxes	1,119,138	765,466	2,799,184	2,039,180
Net income before minority interest	2,324,687	1,634,903	5,763,084	4,372,459
Minority interest	(373,223)	(307,234)	(955,229)	(814,841)
Net Income	$1,951,464	$1,327,669	$4,807,855	$3,557,618
EARNINGS PER SHARE				
Weighted Average Common Shares Outstanding	3,755,760	3,760,760	3,756,602	3,760,760
Net Earnings per Share	$0.52	$0.35	$1.28	$0.95

See accompanying notes to consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY

AND SUBSIDIARY COMPANIES

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

	NINE MONTHS ENDED SEPTEMBER 30	
	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$4,807,855	$3,557,618
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and Amortization	$3,980,466	$3,449,816
Deferred taxes	(22,841)	(22,885)
Gain on Sale of Equity Investments	0	(31,103)
Investments (gains)/losses	(1,333,463)	(504,914)
Minority share of income	610,228	219,841
Other	258,227	(38,405)
Decrease/(increase) in		
Accounts receivable	(3,056,497)	(1,332,717)
Material	897,391	(1,011,027)
Increase/(decrease)in		
Accounts payable	(44,116)	(244,960)
Income taxes payable	1,027,417	866,367
Deferrals & accruals	261,578	595,464
Net cash provided by operating activities	7,386,245	5,503,095

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

	NINE MONTHS ENDED SEPTEMBER 30 1998	1997
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property & Equipment	($10,745,522)	(7,085,725)
FCC Deposit Refund	0	953,400
Purchase of Investment Securities	(1,037,263)	(1,648,658)
Maturities of Certificates of Deposit	104,122	938,060
Maturity of Investment Securities	1,622,433	2,186,646
Cash flows from Securities	1,155,042	25,954
Net Cash Used In Investing Activities	(8,901,188)	(4,630,323)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term debt	$ 2,405,500	$ 1,704,400
Stock Redemption	(100,000)	0
Principal payments on long term debt	(418,382)	(413,326)
Net cash provided by financing activities	1,887,118	1,291,074
NET INCREASE IN CASH	$ 372,175	$2,163,846
CASH AND CASH EQUIVALENTS:		
Beginning	5,203,521	3,763,468
Ending	$ 5,575,696	$ 5,927,314

See accompanying notes to consolidated financial statements.

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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, 1998 and the results of operations and for the three and nine month periods ended September 30,1998 and 1997, and cash flows for the nine month periods ended September 30, 1998 and 1997.

   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 in Form 10-K.

2. The basic and diluted results of operations for the nine month period ended September 30, 1998 and 1997 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. Comprehensive income includes net income along with losses on the Company's available-for-sale investments.

	Three Months Ended September 30		Nine Months Ended September 30	
	1998	1997	1998	1997
Net Income	$1,951,464	$1,327,669	$4,807,855	$3,557,618
Net Unrealized Gains and Losses	(1,257,159)	790,614	(828,333)	537,078
Comprehensive Income	$ 694,305	$2,118,283	$3,979,522	$4,094,696

5. In April 1998, the Board approved renewing a $2 million line of credit with First Union Bank, and in July 1998 the Board approved renewing a $5 million line of with CoBank. The First Union line of credit matures in May 1999, with a variable of Libor + 1.25%. Interest due is payable monthly with any unpaid principal balance due at maturity. The CoBank line of credit matures in August 1999. There are three interest rate options, a weekly variable rate quoted by CoBank, a fixed rate quoted by CoBank for such periods as may be agreeable to CoBank, or Libor + 1.25%. Interest s payable monthly with any unpaid principal balance due at maturity. No draws have been made on these lines of credit.

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 TOTAL OPERATING REVENUES				PERIOD TO PERIOD INCREASE OR DECREASE			
	Three months ended September 30		Nine months ended September 30		Three months ended September 30		Nine months ended September 30	
	1998	1997	1998	1997	1998-97	1997-96	1998-97	1997-96
OPERATING REVENUES								
Telephone Revenues								
Local Service	10.40%	11.60%	10.60%	11.70%	3.70%	12.40%	5.40%	10.00%
Access	20.70%	23.80%	22.20%	23.70%	0.10%	7.20%	8.50%	2.80%
Toll	0.20%	0.10%	0.20%	0.10%	152.50%	-15.40%	134.90%	19.10%
Miscellaneous:								
Directory	3.10%	3.40%	3.40%	3.70%	3.90%	-2.40%	5.60%	-2.50%
Facility Leases	5.70%	6.10%	5.80%	6.50%	7.30%	6.40%	3.20%	9.70%
Billing & Collection	1.40%	1.40%	1.50%	1.40%	15.50%	6.70%	18.40%	-0.70%
Other Miscellaneous	0.30%	0.50%	0.40%	0.40%	-18.30%	51.90%	19.40%	21.80%
Total Telephone Revenues	41.80%	46.90%	44.00%	47.50%	2.80%	7.80%	7.40%	5.00%
Cable Television Revenues	8.70%	7.90%	8.70%	8.20%	26.20%	187.10%	22.70%	182.90%
ShenTel Service Revenues	7.70%	6.70%	6.90%	6.80%	32.90%	5.40%	18.00%	19.70%
Leasing Revenues	0.00%	0.00%	0.10%	0.10%	12.00%	-24.30%	17.50%	-24.30%
Mobile Revenues	28.20%	27.90%	26.80%	27.20%	16.70%	18.50%	14.60%	25.60%
PCS Revenues	9.20%	6.00%	9.20%	5.20%	77.20%	536.10%	104.50%	961.60%
Long Distance Revenues	2.70%	2.70%	2.60%	3.10%	14.30%	-16.30%	-1.40%	-12.60%
Network Revenues	1.70%	1.90%	1.70%	2.00%	0.00%	14.90%	0.00%	20.90%
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Total Revenues and Sales	100.00%	100.00%	100.00%	100.00%	15.20%	23.30%	16.00%	24.00%

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

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

	RELATIONSHIP TO TOTAL OPERATING REVENUES				PERIOD TO PERIOD INCREASE OR DECREASE			
	Three months ended SEPT 30		Nine months ended SEPT 30		Three months ended SEPT 30		Nine months ended SEPT 30	
	1998	1997	1998	1997	1998-97	1997-96	1998-97	1997-96
OPERATING EXPENSES								
Cost of Products and Services Sold	4.50%	6.10%	4.30%	5.90%	-13.80%	3.10%	-16.90%	36.10%
Line Costs	1.00%	1.20%	1.10%	1.30%	-8.30%	2.80%	2.80%	-9.20%
Plant Specific	9.00%	8.80%	8.10%	8.80%	18.20%	11.40%	7.20%	20.50%
Plant Non-Specific:								
Network & Other	15.00%	13.70%	15.40%	13.60%	25.60%	22.30%	31.10%	31.20%
Depreciation	15.00%	14.80%	15.10%	15.10%	16.70%	37.90%	15.40%	39.10%
Customer Operations	13.07%	14.00%	13.90%	13.90%	12.80%	33.80%	16.70%	29.60%
Corporate Operations	6.70%	8.20%	7.40%	8.60%	-6.40%	12.60%	0.40%	17.30%
Other Operating Expenses	2.40%	2.20%	2.50%	2.30%	25.40%	259.80%	24.90%	264.30%
Taxes other than income	1.30%	1.30%	1.50%	1.40%	16.90%	14.10%	24.40%	6.70%
Total Operating Expenses	68.60%	70.40%	69.20%	70.80%	12.40%	24.70%	13.40%	30.60%
Operating income	31.40%	29.70%	30.80%	29.20%	22.00%	20.20%	22.30%	10.30%
Gain on Sale of Investment								
Non-operating income less expenses	10.40%	5.30%	6.00%	4.00%	126.10%	16.10%	74.20%	13.40%
Interest expense	4.70%	5.10%	4.40%	5.10%	5.30%	140.80%	0.80%	162.40%
Income before income taxes	37.20%	29.90%	32.40%	28.10%	43.50%	10.10%	33.50%	-3.20%

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SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

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

	RELATIONSHIP TO TOTAL OPERATING REVENUES				PERIOD TO PERIOD INCREASE OR DECREASE			
	Three months ended June 30		Nine months ended June 30		Three months ended June 30		Nine months ended June 30	
	1998	1997	1998	1997	1998-97	1997-96	1998-97	1997-96
Provision for income taxes	12.10%	9.50%	10.60%	8.90%	46.20%	4.10%	37.30%	-8.80%
Net income before minority interest	25.10%	20.30%	21.80%	19.20%	42.20%	13.10%	31.80%	-0.40%
Minority interest	-4.00%	-3.80%	-3.60%	-3.60%	21.50%	63.10%	17.20%	66.20%
Net Income	21.10%	16.50%	18.20%	15.60%	47.00%	5.60%	35.10%	-8.70%

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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 eight wholly-owned subsidiaries.

This industry is in a period of transition from a protected monopoly to a competitive environment as evidenced by the recent 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.

The most significant revenue contributors are the regulated telephone local exchange company accounting for 41.8% of revenue and the cellular dominated operations of the Mobile subsidiary, accounting for 28.2% 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 also participates in emerging technologies by direct investment in non-affiliated companies.

RESULTS OF OPERATIONS

The regulated telephone subsidiary'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 typically tracks with changes in minutes of use. The minutes of use during the first nine months and the third quarter of 1998 increased 10.4% and 7.6% respectively from the total minutes of use in comparative periods in 1998. The revenue increased 8.5% year-to-date and .1% in the third quarter for the associated revenues. Price reductions effective July 1 impacted the third quarter.

Third quarter cable television revenues increased 26.2% over the third quarter of 1997. The year-to-date increase of 22.7% is primarily attributable to a rate increase effective in the fourth quarter of 1997. Customer growth slowed to 2.2%, due in part to the rate increase.

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 third quarter of 1998 compared to 1997 was 32.9%. The year-to-date increase is 18.0%. This was due to increases in Internet Service revenues. Third quarter 1998 revenues from our Internet operations were up $159,069 or 65.5% compared to the third quarter of 1997.

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 cellular services. Third quarter 1998 local cellular revenues increased $185,363 or 18.8%. The increase in local cellular revenues was due to an increase in the customer base. Third quarter 1998 outcollect roamer revenues increased $151,526 or 12.8% compared to the same period in 1997 because of increased roamer activity. The year-to-date increase in out-collect revenues is $203,996 or 6.3%. Industry-wide competitive pressures are resulting in decreased roamer rates.

Total revenues from the Cellular operation accounted for 26.8% of total Company revenues in the third quarter and 25.4% year-to-date, compared to 26.6% in the third quarter of 1997 and 25.9% for the first nine months of 1997.

PCS revenues increased $369,404 or 77.2% in the third quarter compared to the third quarter of 1997. The year-to-date increase is $1,239,216 or 104.5%. This growth is due to the expanding customer base in our PCS markets.

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

RESULTS OF OPERATIONS (Continued)

Cost of Goods Sold decreased 13.8% in the third quarter compared to the same period in 1997. The year-to-date decrease is 16.9%. This is due primarily to a decrease in Shentel equipment sales.

Plant Specific expenses consist mainly of maintenance to the Company's plant in service. This expense category increased 18.2% in the third quarter compared to the third quarter of 1997. The year-to-date increase is 7.2% over the same period of 1997. The increased maintenance and operating costs are due to the recent additions in our fixed facilities that support our expanding fiber, cable, and PCS operations.

The expense category Network and Other consists primarily of network support, engineering, and leased facilities costs. These costs increased 25.6% in the third quarter compared to the third quarter of 1997. The year-to-date increase is 31.1%. These increases are primarily due to increased incollect roaming costs in the cellular operation, and increases in leased facilities costs in the PCS and Internet operations due to network expansion.

Depreciation and Amortization, our largest expense category, was 16.7% higher in the third quarter of 1998 compared to the same period in 1997. The year-to-date increase is 15.4%, due mainly to the expansion of our fiber network and Cable TV upgrade.

Customer operation increased 12.8% for the quarter and 16.7% year-to-date compared to the same periods in 1997. These costs are for the marketing and sales, billing, and customer service functions. As with the network and other category, customer growth in the Internet, cellular, and PCS businesses are primarily responsible for the increase.

The Other Operating Expense category consists of royalty expense paid to programming providers for the Cable Television subsidiary. Royalty expense has increased $130,457 or 24.9% over the first nine months of 1997. This increase is primarily the result of additional channels being added to our basic service.

RESULTS OF OPERATIONS (Continued)

Non-operating income increased 126.1% in the third quarter of 1998 as compared to 1997 and 74.2% for the nine-month period. This increase is due to an increase in non-operating income from the company's investments which increased $728,973 or 120.2% over the first nine months of 1997.

Interest expense has increased 5.3% in the third quarter compared to the third quarter of 1997.

LIQUIDITY AND CAPITAL RESOURCES

The Company has a credit facility with CoBank to borrow up to $25 million. The agreement is 15 years, with multiple interest and term options. The Company has borrowed approximately $18 million against this note.

The Company has a $2 million line of credit with First Union Bank and a $5 million line of credit with CoBank. No draws have been made on these lines of credit.

The Company budgeted capital expenditures of approximately $18 million for our subsidiaries for 1998. These capital needs will be met through internally generated cash flows, the existing Rural Telephone Bank note, and the CoBank credit facility. The $9 million loan agreement with the RTB allows for additional borrowings of approximately $3,000,000. Expenditures of the Rural Telephone Bank loan funds is limited to capital projects for the regulated local exchange carrier.

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 will be unable to interpret dates beyond the year 1999, which could cause a system failure or other computer errors, leading to disruptions in the Company's operation. The Company has developed a four-phase program for Y2K information systems compliance.

Phase I (Identification and planning):

In this Phase, which was started in 1997 and essentially complete in mid-1998, the Company identified those systems with which the Company has its largest exposure to Y2K issues. The Company performed an inventory of all known services and computer products in its operation. The Company identified that software provided by third parties was its' most vulnerable link to the Y2K event. This included switching, end user billing, carrier access billing, and financial accounting software. The Company further identified that it has one mainframe and approximately 75 individual microcomputers with operating systems that may or may not be vulnerable.

Phase II (Select and implement solutions):

In this Phase, the Company has taken steps to test and install Y2K releases that are part of the normal process of installing new releases with service enhancements, as well as replacing obsolete hardware that was not meeting our organization's needs. Y2K versions of switching software have either been received and are currently being tested, or are scheduled for delivery in the first quarter of 1999. A Y2K release of the end user billing software should be available for testing in late 1998. The remainder of the work is scheduled for completion by mid-1999.

Phase III (Configure and test improved software):

In this Phase, the Company has taken steps to replace obsolete software systems that were not meeting our organizaiton's needs, and/or would not have been functional in the Year 2000. Training and testing of the financial accounting software began in the first half of 1998, and the critical functions are expected to be operational in January 1999. less critical functions in this software should be operational by mid-1999. Testing of new carrier access billing software will begin in December 1998, and is scheduled to be operational in February 1999.

Phase IV (Utilization and monitoring):

With the majority of the required hardware and software changes occurring before the end of march 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 the first half of 1999.

With this four-phase program, the Company believes that its non-routing expense will be minimal in making its core operations Y2K compliant. 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 6. Exhibits and Reports on Form 8-K

A. Exhibit No. 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)

November 16, 1998	CHRISTOPHER E. FRENCH Christopher E. French President
November 16, 1998	LAURENCE F. PAXTON Laurence F. Paxton Vice President - Finance

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3-MOS
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SEP-30-1998
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