

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 17, 2006

Shenandoah Telecommunications Company  
(Exact name of registrant as specified in its charter)

Virginia  
(State or other jurisdiction of  
incorporation)

0-9881  
(Commission File Number)

54-1162807  
(IRS Employer Identification No.)

500 Shentel Way  
P.O. Box 459  
Edinburg, VA  
(Address of principal executive offices)

22824  
(Zip Code)

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

Not applicable  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2-(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 1.01 Entry into a Material Definitive Agreement.**

At its meeting on April 17, 2006, the Board of Directors of the Company acting on the recommendation of the Independent Directors approved effective April 24, 2006 new annual compensation levels for the Company's executive officers as set forth on Exhibit 10.27 attached hereto. Annual base compensation for the Chief Executive Officer was increased by approximately 9% and for all executive officers as a group an average of approximately 7%.

**Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits

The following exhibits are filed with this Current Report on Form 8-K.

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">10.27</a>	<a href="#">2006 Management Compensatory Plans and Arrangements</a>

**SIGNATURE**

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.

April 21, 2006

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Earle A. MacKenzie  
Executive Vice President and Chief Financial Officer

**Shenandoah Telecommunications Company**

## 2006 Management Compensatory Plans and Arrangements

**Components of Executive Compensation**

In accordance with the Marketplace Rules of the National Association of Securities Dealers, all components of compensation for the Company's chief executive officer and other executive officers are determined by the board of directors upon the recommendation of a majority of the Company's directors who meet the independence requirements prescribed by those rules.

The Company's executive compensation program includes a base salary, annual cash bonuses and long-term incentive compensation in the form of stock option awards.

*Base Salary.* Base salaries of the Company's executive officers are initially determined by evaluating the responsibilities of the position, the experience and knowledge of the executive, and the competitive marketplace for executive talent, including a comparison to base salaries for comparable positions at public companies considered to be in the Company's peer group. Base salaries for executive officers are reviewed annually by the independent directors based upon, among other things, individual performance and responsibilities. Effective April 24, 2006, salaries for the executive officers were as follows: Christopher E. French (\$298,000), Earle A. MacKenzie (\$254,000), David E. Ferguson (\$165,000), David L. Lasier, (\$165,000) William L. Pirtle (\$171,000), David K. MacDonald (\$167,000), Laurence F. Paxton (\$149,000), Jeff Pompeo (\$168,000), Jonathan Spencer (\$171,000), and Nancy Stadler (\$160,500).

*Annual Cash Bonuses.* The Company pays annual cash bonuses to the executive officers under a cash incentive plan. Under the cash incentive plan, each participant is assigned a "target bonus" expressed as a percentage of the participant's regular salary. For 2006, the target bonus for the chief executive officer of the Company is 30% of salary paid, the target bonus for the executive vice president of the Company is 25% of salary paid, and the target bonus for other executive officers is 20% of salary paid. The maximum cash bonus payable to any executive officer in any fiscal year could be up to 200% of the target bonus. Of the bonus amount payable to executive officers, 60% is based on the achievement of company-wide performance goals relating to net income and service measures (which include customer turnover or "churn," and service complaints) and 40% upon individual objectives established by management and, in the case of the chief executive officer and chief financial officer, the independent directors.

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*Long-Term Incentive Compensation.* Stock option awards under the Company's Stock Incentive Plan are based on a formula that takes into account each executive's annual cash compensation.

**Other Compensatory Plans**

The Company's executive officers participate in the Company's Retirement Plan, which is a noncontributory defined benefit pension plan that is qualified under Section 401 of the Internal Revenue Code, and the supplemental executive retirement plan, or SERP, which is an unfunded, nonqualified plan. The annual pension benefit under the plans, taken together, is largely determined by the years of service multiplied by a percentage of the participant's final earnings.

The purpose of the SERP is to provide retirement benefits in addition to those provided under the Retirement Plan. Under the terms of the SERP, the normal form of benefits for executives who complete at least ten years of service is a monthly benefit for the life of the executive determined as follows: 50% for executives with 20 years or less of credited service, which is increased by 1% for each additional year of credited service up to a maximum of 70% with 40 years, times the executive's final annual earnings, less the accrued monthly benefit payable at age 65 to the executive under the Retirement Plan on that date, less the executive's estimated monthly Primary Social Security Benefit payable at age 65.

The Company's executive officers also are eligible to participate in the Company's 401(k) and Flexible Benefits Plans, each of which is available to all regular Company employees.

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