

# Stevens & Lee

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Harrisburg, PA 17101  
(717) 234-1090  
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Direct Dial: (717) 255-7365  
Email: michael.gruin@stevenslee.com  
Direct Fax: (610) 988-0852

August 19, 2025

**VIA ELECTRONIC FILING**

Secretary Matthew Homsher  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**RE: Application of Shentel Asset Entity I LLC d/b/a Glo Fiber for Approval to Offer, Render, Furnish or Supply Telecommunications Services to the Public in the Commonwealth of Pennsylvania as a Competitive Access Provider**

**Docket No. A-** \_\_\_\_\_

Dear Secretary Homsher:

Enclosed for filing is the Application of Shentel Asset Entity I LLC d/b/a Glo Fiber for Approval to Offer, Render, Furnish or Supply Telecommunications Services to the Public in the Commonwealth of Pennsylvania as a Competitive Access Provider (“Application”). The filing fee for this Application is being submitted through the Commission’s electronic payment portal.

If you have any questions, please contact me by any of the means listed above. Thank you.

STEVENS & LEE



Michael A. Gruin

Enclosures  
cc: Certificate of Service

**Application of:**

**Shentel Asset Entity I LLC, d/b/a Glo Fiber,**

for approval to offer, render, furnish or supply telecommunications services to the public in the Commonwealth of Pennsylvania.

1. **IDENTITY OF THE APPLICANT:** The name, address, telephone number, and fax number of the Applicant.

**Shentel Asset Entity I LLC  
500 Shentel Way, P.O. Box 459  
Edinburg, Virginia 22824  
Phone: (800) 743-6835  
Fax: Not applicable**

Please identify any predecessors of the Applicant and provide other names under which the Applicant has operated within the preceding five years, including name, address, and telephone number.

**Applicant has no predecessors and has not operated under any other names in the preceding five years.**

2. **ATTORNEY:** The name, address, telephone number, and fax number of the Applicant's attorney.

K.C. Halm  
John C. Nelson, Jr.  
Marina Sansom  
Davis Wright Tremaine LLP  
1301 K Street N.W.  
Suite 500 East  
Washington, DC 20005  
Tel: (202) 973-4200  
Fax: (202) 973-4499  
Email: [kchalm@dwt.com](mailto:kchalm@dwt.com)  
Email: [johnnelson@dwt.com](mailto:johnnelson@dwt.com)  
Email: [marinasansom@dwt.com](mailto:marinasansom@dwt.com)

And

Michael Gruin  
Stevens & Lee  
17 N. 2<sup>nd</sup> Street, 16<sup>th</sup> Fl,  
Harrisburg, PA, 17101  
Tel: (717)255-7365  
Fax: (610) 988-0852  
[Michael.gruin@stevenslee.com](mailto:Michael.gruin@stevenslee.com)

**3. CONTACTS:**

**A) APPLICATION:** The name, title, address, telephone number, and fax number of the person to whom questions about this application should be addressed.

Elaine Cheng  
Senior Vice President and Chief Information Officer  
500 Shentel Way  
P.O. Box 459  
Edinburg, Virginia 22824  
Tel: (716) 598-6933  
Email: [elaine.cheng@emp.shentel.com](mailto:elaine.cheng@emp.shentel.com)

And

Michael Gruin  
Stevens & Lee  
17 N. 2<sup>nd</sup> Street, 16<sup>th</sup> Fl,  
Harrisburg, PA, 17101  
Tel: (717)255-7365  
Fax: (610) 988-0852  
[Michael.gruin@stevenslee.com](mailto:Michael.gruin@stevenslee.com)

**B) PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY (PEMA):** The name, title, address, telephone number and FAX number of the person with whom contact should be made by PEMA (Pennsylvania Emergency Management Agency).

Christopher S. Kyle  
Vice President Industry Affairs and Regulatory  
500 Shentel Way  
P.O. Box 459  
Edinburg, Virginia 22824  
Tel: (540) 984-5187  
Fax: None  
Email: [chris.kyle@emp.shentel.com](mailto:chris.kyle@emp.shentel.com)

**C) RESOLVING COMPLAINTS:** Name, address, telephone number, and FAX number of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints and queries filed with the Public Utility Commission or other agencies.

Christopher S. Kyle  
Vice President Industry Affairs and Regulatory  
500 Shentel Way  
P.O. Box 459  
Edinburg, Virginia 22824  
Tel: (540) 984-5187  
Fax: None  
Email: [chris.kyle@emp.shentel.com](mailto:chris.kyle@emp.shentel.com)

And

Julie Wagoner  
Vice President Customer Service  
500 Shentel Way  
P.O. Box 459  
Edinburg, Virginia 22824  
Tel: (833) 926-8456  
Fax: None  
Email: [julie.wagoner@emp.shentel.com](mailto:julie.wagoner@emp.shentel.com)

**4. FICTITIOUS NAME:**

The Applicant will not be using a fictitious name.

The Applicant will be using a fictitious name. Attach to the Application a copy of the Applicant's filing with the Commonwealth's Department of State pursuant to 54 Pa. C.S. § 311, Form PA-953.

**See Exhibit A**

**5. BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:** Applicant has registered its business with the Pennsylvania Department of State. Please check the appropriate registration type for Applicant as designated with the Department.

- |                                     |  |
|-------------------------------------|--|
| <input type="checkbox"/>            | Sole proprietor                                |
| <input type="checkbox"/>            | Domestic general partnership                   |
| <input type="checkbox"/>            | Domestic corporation                           |
| <input type="checkbox"/>            | Domestic limited partnership                   |
| <input type="checkbox"/>            | Domestic limited liability company             |
| <input type="checkbox"/>            | Domestic limited liability partnership         |
| <input type="checkbox"/>            | *Foreign corporation                           |
| <input type="checkbox"/>            | *Foreign general or limited partnership        |
| <input checked="" type="checkbox"/> | *Foreign limited liability company             |
| <input type="checkbox"/>            | *Foreign limited liability general partnership |
| <input type="checkbox"/>            | *Foreign limited liability limited partnership |

\*Provide name and address of Corporate Registered Office Provider or Registered Office within PA.

**Corporate Creations Network, Inc.**  
**1001 State Street #1400**  
**Erie, PA 16501**  
**Tel: 561-694-8107**  
**Entity Number: 2965335**

Attach to the application the name and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.

Attach to the application proof of compliance with appropriate Department of State filing requirements as indicated above. Additionally, provide a copy of the Applicant's Articles of Incorporation or a Certificate of Organization.

**See attached:**

EXHIBIT B: Pennsylvania Foreign LLC Authority  
EXHIBIT C: Delaware Articles of Formation

The Applicant is incorporated in the State of Delaware.

Give name and address of officers:

**See attached:**

EXHIBIT D: List of Officers, Directors and Senior Management Team

**6. AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA:**

- The Applicant has no affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania.
- ✓ The Applicant has affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania. Name and address of the affiliates. State whether they are jurisdictional public utilities. Give docket numbers for the authority of such affiliates.

If the Applicant or an affiliate has predecessors who have done business within Pennsylvania, give name and address of the predecessors and state whether they were jurisdictional public utilities. Give the docket numbers for the authority of such predecessors.

**Affiliates:**

Shenandoah Cable Television LLC - jurisdictional utility (Docket Nos. A-2014-2437219, A-2014-2437221 A-2014-2437222, A-2014-2437223, and A-2014-2437224)

Shentel Management Company – not a jurisdictional utility

Shenandoah Personal Communications, LLC – not a jurisdictional utility

Shenandoah Mobile, LLC – not a jurisdictional utility

Applicant has no predecessors which have done business in Pennsylvania

**Address for all of the above:**

500 Shentel Way, P.O. Box 459  
Edinburg, VA 22824

**7. AFFILIATES AND PREDECESSORS RENDERING PUBLIC UTILITY SERVICE OUTSIDE PENNSYLVANIA:**

- The Applicant has no affiliates rendering or predecessors which rendered public utility service outside Pennsylvania.
- ✓ The Applicant has affiliates rendering or predecessors which rendered public utility service outside Pennsylvania. Name and address of the affiliates and predecessors (please identify affiliates versus predecessors).

**Affiliates:**

<b>State</b>	<b>Affiliate</b>	<b>Authority</b>
Delaware	Shenandoah Cable Television, LLC	CLEC
Indiana	Infinity Fiber LLC	CLEC
Indiana	Urban Systems LLC	CLEC
Kentucky	Shenandoah Cable Television, LLC	CLEC
Maryland	Shentel Communications Company	CLEC
Ohio	Chillicothe Telephone Company	ILEC
Ohio	Horizon Services, Inc.	CLEC
Virginia	Shenandoah Cable Television, LLC	CLEC
Virginia	Shenandoah Telephone Company	ILEC

**Addresses for all of the above:**

500 Shentel Way, P.O. Box 459  
Edinburg, VA 22824

**8. APPLICANT'S PRESENT OPERATIONS:** (Select and complete the appropriate statement)

- The applicant is not presently doing business in Pennsylvania as a public utility.
- The applicant is presently doing business in Pennsylvania as a:
  - Interexchange Toll Reseller, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)
  - Interexchange Toll Facilities-based carrier, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)
  - Competitive Access Provider (dedicated point-to-point or multipoint service; voice or data)
  - Competitive Local Exchange Carrier.
  - Incumbent Local Exchange Carrier
  - Other (Identify).

**9. APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as:

- Interexchange Toll Reseller, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)

- Interexchange Toll Facilities-based carrier, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)
- Competitive Access Provider (dedicated point-to-point or multipoint service; voice or data)
- Competitive Local Exchange Carrier.
- Incumbent Local Exchange Carrier
- Other (Identify).

- 10. PROPOSED SERVICES:** Describe in detail the services which the Applicant proposes to offer. If proposing to provide more than one category in Item #9, clearly and separately delineate the services within each proposed operation. Provide a brief description of the facilities the Company will use to provide services. Specify whether those facilities are Company-owned or obtained from other companies as UNEs or on a resold basis.

Applicant will own and deploy fiber optic facilities as well as lease dark fiber on commercial terms, without using UNEs, and offer resold circuits to provide the Ethernet and wavelength fiber optic services to enterprise and wholesale customers throughout the entirety of its service area.

- 11. SERVICE AREA:** Describe the geographic service area in which the Applicant proposes to offer services. Clearly and separately delineate the service territory for each category listed in Item #9. For Competitive Local Exchange Carrier operations, you must name and serve the Incumbent Local Exchange Carriers in whose territory you request authority.

Applicant proposes to offer CAP services throughout the Commonwealth of Pennsylvania

- 12. MARKET:** Describe the customer base to which the Applicant proposes to market its services. Clearly and separately delineate a market for each category listed in Item #9.

Applicant will offer CAP services to its affiliates and other telecommunications carriers, and business and enterprise customers. Applicant will comply with Pennsylvania regulations regarding restriction of service.

- 13. PROPOSED TARIFF(S):** Each category of proposed operations must have a separate and distinct proposed tariff setting forth the rates, rules and regulations of the Applicant. Every proposed tariff shall state on its cover page the nature of the proposed operations described therein, i.e., IXC Reseller, CLEC, CAP, or IXC Facilities-based. A copy of all proposed tariffs must be appended to each original and duplicate original and copy of Form 377.

A copy of the Applicant's proposed CAP Tariff is attached hereto as **Exhibit E**.

**14. FINANCIAL: *Attach the following to the Application:***

A general description of the Applicant's capitalization and, if applicable, its corporate stock structure;

Current balance sheet, Income Statement, and Cash Flow Statement of Applicant or Affiliated Company, if relying on affiliate for financial security;

A tentative operating balance sheet and a projected income statement for the first year of operation within the Commonwealth of Pennsylvania; provide the name, title, address, telephone number and fax number of the Applicant's custodian for its accounting records and supporting documentation; and indicate where the Applicant's accounting records and supporting documentation are, or will be, maintained.

If available, include bond rating, letters of credit, credit reports, insurance coverage and reports, and major contracts.

Applicant is a wholly owned subsidiary of Shenandoah Telecommunications Company, a publicly traded multistate telecommunications provider (NASDAQ symbol SHEN). Applicant will rely on the financial resources of its parent company to support ongoing services and operations. Applicant does not maintain financial statements separate from the consolidated financial statements of its parent company, so Applicant is submitting the financial statements of its Parent company to demonstrate Applicant's financial qualification to operate in Pennsylvania. As a newly formed entity, Applicant does not have any current cash assets or cash flows. Contemporaneous with this Application, Applicant is filing an Application requesting the Commission's approval for a transfer of assets from its affiliate, Shenandoah Cable Television, LLC. Upon completion of the Asset Transfer, Applicant will have both assets and cash flow associated with the assets it will be assigned.

**Custodian of Accounting Records:**

James Volk  
Senior Vice President and Chief Financial Officer  
500 Shentel Way  
P.O. Box 459  
Edinburg, Virginia 22824  
Tel: (540) 984-5168  
Email: [jim.volk@emp.shentel.com](mailto:jim.volk@emp.shentel.com)

A copy of Shenandoah Telecommunications Company's audited financial statements from the most recent calendar year, ending December 31, 2024, is attached hereto as **Exhibit F**.

**15. START DATE:** The Applicant proposes to begin offering services on or about

**Upon approval by the Commission.**

- 16. FURTHER DEVELOPMENTS:** Attach to the Application a statement of further developments, planned or contemplated, to which the present Application is preliminary or with which it forms a part, together with a reference to any related proceeding before the Commission.

Applicant and its affiliate, Shenandoah Cable Television, LLC filed an application for Approval of a General Rule Transaction to facilitate the assignment of fiber optic network facilities and related assets to Applicant, and for associated financing arrangements. If approved, certain assets of Shenandoah Cable Television, LLC will be transferred to Applicant.

- 17. NOTICE:** Pursuant to 52 Pa. Code § 5.14, you are required to serve a copy of the signed and verified Application, with attachments, on the below-listed parties, and file proof of such service with this Commission:

**Office of Consumer Advocate**

555 Walnut Street  
5th Floor, Forum Place  
Harrisburg, PA 17101-1923

**Office of Small Business Advocate**

Commerce Building, Suite 1102  
300 North Second Street  
Harrisburg, PA 17101

**Office of Attorney General**

Office of Consumer Protection  
Strawberry Square  
Harrisburg, PA 17120

***A certificate of service must be attached to the Application as proof of service that the Application has been served on the above-listed parties. A copy of any Competitive Local Exchange Carrier Application must also be served on any and/or all Incumbent Local Exchange Carrier(s) in the geographical area where the Applicant proposes to offer services.***

- 18. FEDERAL TELECOMMUNICATIONS ACT OF 1996:** State whether the Applicant claims a particular status pursuant to the Federal Telecommunications Act of 1996. Provide supporting facts.

**Applicant claims the status of a Telecommunications Carrier as defined under the Telecommunications Act of 1996.**

- 19. COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, limited to proceedings dealing with business operations in the last five (5) years, whether before an

administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.

**None of the parties specified in this Question 19 have ever been convicted of a crime involving fraud or similar activity. Applicants' parent company, Shenandoah Telecommunications Company, has entered in to two separate consent decrees with the FCC concerning alleged non-compliance with spectrum licensing and emergency service network outage reporting obligations, without admitting fault.**

- 20. FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§ 4903 and 4904, relating to perjury and falsification in official matters.
- 21. CESSATION:** The Applicant understands that if it plans to cease doing business within the Commonwealth of Pennsylvania, it is under a duty to request authority from the Commission for permission prior to ceasing business.

Applicant:

Shentel Asset Entity I LLC

By: Edward H. McKay

Title: Executive Vice President  
and Chief Operating Officer

22. **AFFIDAVIT:** Attach to the Application an affidavit as follows:

**AFFIDAVIT**

Commonwealth of Virginia :

: ss.

County of Shenandoah :

**Edward H. McKay**, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

Affiant is the **Executive Vice President and Chief Operating Officer** (Office of Affiant) of **Shentel Asset Entity I LLC** (Name of Applicant;)

That Affiant is authorized to and does make this affidavit for said corporation;

That **Shentel Asset Entity I LLC**, the Applicant herein, acknowledges that it may have an obligation to serve or to continue to serve the public by virtue of the Applicant commencing the rendering of service pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; with the Federal Telecommunications Act of 1996, signed February 6, 1996, or with other applicable statutes or regulations;

That **Shentel Asset Entity I LLC**, the Applicant herein, asserts that Affiant possesses the requisite technical, managerial, and financial fitness to render public utility service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

**\* Next paragraph for CLEC Applicants ONLY:**

That **Shentel Asset Entity I LLC**, the Applicant herein, asserts that Affiant has contacted the appropriate 911 Coordinator(s) via certified letter, from the list provided from the PUC website (<http://www.puc.pa.gov>), and that arrangements are under way for the provisioning of emergency 911 service in each of the Counties/Cities where service is to be provided. The applicant certifies Affiant has attached a copy of the 911 Coordinator list indicating each 911 Coordinator contacted.

That the facts above set forth are true and correct] to the best of [Affiant knowledge, information and belief, and that Affiant expects said entity to be able to prove the same at any hearing thereof.

Edward H. McKay  
Edward H. McKay Signature of Affiant

Sworn and subscribed before me this 21st day of July, 2025.  
Month Year

[Signature]  
Signature of official administering oath



My Commission expires 7-31-2028.

23. § 1.36 Verification.

**Verification**

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I, EDWARD H MCKAY, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief), and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

7-21-25  
Date

Edward H McKay  
Signature

Edward H. McKay  
Printed name

# **EXHIBIT A**

## **FICTITIOUS NAME REGISTRATION**

**PENNSYLVANIA DEPARTMENT OF STATE  
BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS**

Pennsylvania Department of State

**-FILED-**

File #: 0014642252  
Date Filed: 7/16/2025

Registration of Fictitious Name  
DSCB:5  
(rev. 2/2017)



311

Return document by mail to:

---

Name \_\_\_\_\_

Address **RETURN TO:** \_\_\_\_\_  
**Registered Agent Solutions, Inc.**

City \_\_\_\_\_ **Email address: pa@راسي.com**

Return document by email to: \_\_\_\_\_

Read all instructions prior to completing. This form may be submitted online at <https://www.corporations.pa.gov/>.

Fee: \$70

I qualify for a veteran/reservist-owned small business fee exemption (see instructions)

In compliance with the requirements of 54 Pa.C.S. § 311 (relating to registration), the undersigned entity(ies) desiring to register a fictitious name under 54 Pa.C.S. Ch. 3 (relating to fictitious names), hereby state(s) that:

1. The fictitious name is:  
Glo Fiber

2. A brief statement of the character or nature of the business or other activity to be carried on under or through the fictitious name is:  
Provide broadband services.

3. The address, including number and street, if any, of the principal place of business (P.O. Box alone is **not** acceptable):

<u>500 Shentel Way</u>	<u>Edinburg</u>	<u>VA</u>	<u>22824</u>	<u>Shenandoah</u>
Number and street	City	State	Zip	County

4. The name and address, including number and street, if any, of each individual interested in the business is:

Name	Number and Street	City	State	Zip

89865-6848 07/16/2025 11:22 AM Received by Pennsylvania Department of State

**PA DEPT OF STATE**

JUL 16 2025

DSCB:54-311-2

88865-6841 07/16/2025 11:22 AM Received by Pennsylvania Department of State

5. Each entity, other than an individual, interested in such business is (are):

Shentel Asset Entity I LLC	limited liability company	Delaware
Name	Form of Organization	Organizing Jurisdiction
500 Shentel Way, Edinburg, VA 22824		
Principal Office Address		
c/o Corporate Creations Network, Inc Erie County		
PA Registered Office, if any		
Name	Form of Organization	Organizing Jurisdiction
Principal Office Address		
PA Registered Office, if any		

6. The applicant is familiar with the provisions of 54 Pa.C.S. § 332 (relating to effect of registration) and understands that filing under the Fictitious Names Act does not create any exclusive or other right in the fictitious name.

7. (Optional): The name(s) of the agent(s), if any, any one of whom is authorized to execute amendments to, withdrawals from or cancellation of this registration in behalf of all then existing parties to the registration, is (are):

---

IN TESTIMONY WHEREOF, the undersigned have caused this Application for Registration of Fictitious Name to be executed this

14 day of July, 2025.

Individual Signature	Individual Signature
Individual Signature	Individual Signature
Shentel Asset Entity I LLC	Entity Name
	Signature
EVP & COO	Title

**EXHIBIT B**

**FOREIGN LLC REGISTRATION**



DSCB:15-412 - 2

5. The (a) address of the association's proposed registered office in this Commonwealth or (b) name of its Commercial Registered Office Provider and the county of venue is:

Complete part (a) OR (b) - not both:

(a) \_\_\_\_\_  
Number and street City State Zip County

OR

(b) c/o: Corporate Creations Network Inc. Erie County  
Name of Commercial Registered Office Provider County

6. Check one of the following:

- The association may not have series.
- The association may have one or more series.

7. Effective date of registration of foreign association (check, and if appropriate complete, one of the following):

- The Foreign Registration Statement shall be effective upon filing in the Department of State.
- The Foreign Registration Statement shall be effective on: \_\_\_\_\_ at \_\_\_\_\_  
Date (MM/DD/YYYY) Hour (if any)

8. To be completed by Limited Liability Companies only. Check, and if appropriate complete, one of the following:

- The association is a limited liability company which is not organized to render any of the below professional service(s).
- The association is a restricted professional limited liability company organized to render one or more of the following professional service(s): (If this box is checked, one or more of the fields below must be checked.)

Chiropractic     Dentistry     Law     Medicine and surgery  
 Optometry     Osteopathic medicine and surgery     Podiatric medicine     Public accounting  
 Psychology     Veterinary medicine

IN TESTIMONY WHEREOF, the undersigned association has caused this Foreign Registration Statement to be signed by a duly authorized representative thereof this 14<sup>th</sup> day of July, 2025.

Shentel Asset Entity I LLC  
 Name of Association  
 DocuSigned by:  
 [Signature: Edward H. McKay]  
 Signature  
 EVP & COO  
 Title

30865-5795 07/15/2025 10:06 AM Received by Pennsylvania Department of State

**EXHIBIT C**  
**ARTICLES OF FORMATION**

# Delaware

The First State

Page 1

*I, CHARUNI PATIBANDA-SANCHEZ, SECRETARY OF STATE OF THE  
STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND  
CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "SHENTEL ASSET  
ENTITY I LLC", FILED IN THIS OFFICE ON THE TENTH DAY OF JUNE,  
A.D. 2025, AT 2:19 O`CLOCK P.M.*



10223103 8100  
SR# 20253023724

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

A handwritten signature in black ink that reads "C. P. Sanchez". The signature is written in a cursive style.

Charuni Patibanda-Sanchez, Secretary of State

Authentication: 203916091  
Date: 06-11-25

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 02:19 PM 06/10/2025  
FILED 02:19 PM 06/10/2025  
SR 20253023724 - File Number 10223103

## CERTIFICATE OF FORMATION

OF

### SHENTEL ASSET ENTITY I LLC

This Certificate of Formation of Shentel Asset Entity I LLC (the "LLC"), dated as of June 10, 2025, has been duly executed and is being filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.).

FIRST. The name of the limited liability company formed hereby is Shentel Asset Entity I LLC.

SECOND. The address of the registered office of the LLC in the State of Delaware is c/o Corporate Creations Network Inc., 1521 Concord Pike, Suite 201, Wilmington, Delaware 19803.

THIRD. The name and address of the registered agent for service of process on the LLC in the State of Delaware are Corporate Creations Network Inc., 1521 Concord Pike, Suite 201, Wilmington, Delaware 19803.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.



Name: Christopher E. French  
Authorized Person

## **EXHIBIT D**

# **OFFICERS, DIRECTORS AND SENIOR MANAGEMENT**

**Christopher E. French**  
**President and Chief Executive Officer**

Mr. French is President and Chief Executive Officer for Shentel. He is responsible for the overall leadership and strategic direction of the Company. He has served as President since 1988, and has been a member and Chairman of the Board of Directors since 1996. Prior to appointment as President, Mr. French held a variety of positions with the Company, including Vice President Network Service and Executive Vice President. Mr. French holds a bachelor's degree in electrical engineering and an MBA, both from the University of Virginia. He has held board and officer positions in both state and national telecommunication associations, including service as a director of the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) and was president and director of the Virginia Telecommunications Industry Association. Mr. French is currently a member of the Leadership Committee of the USTelecom Association.

**Edward H. McKay**  
**Executive Vice President and Chief Operating Officer**

Mr. McKay is Executive Vice President and Chief Operation Officer for Shentel. Prior to his current role, Ed has worked tirelessly for Shentel for the last seventeen years, most recently as Senior Vice President of Engineering & Operations. During this time, he has played a key role in the growth and success of our wireless affiliate business, overseen the expansion of our fiber-rich network supporting the Company's cable and wireline business, and importantly has been responsible for delivering on Shentel's broadband growth strategy for cable, Glo Fiber and Beam Fixed Wireless. Ed is responsible for the leadership of our entire integrated broadband business and tower portfolios, and is well suited to successfully lead the organization as we deliver on our high-growth strategic roadmap. Prior to Mr. McKay's promotion to Senior Vice President of Engineering & Operations in September 2015, he held the title of Vice President - Wireline and Engineering, with responsibility for network planning, engineering, construction and operations for Shentel's networks. Mr. McKay joined Shentel in 2004, and began his telecommunications industry career in 1996, including previous engineering management positions at UUNET and Verizon. He is a graduate of the University of Virginia, where he earned master's and bachelor's degrees in Electrical Engineering. He represents the Company on the Board of ACA Connects and the Board of ValleyNet.

**James J. Volk**  
**Senior Vice President and Chief Financial Officer**

Mr. Volk is Senior Vice President and Chief Financial Officer. He joined Shentel in June 2019. He is a 20+ year veteran of the telecommunications industry, and has served in a variety of senior financial management roles with both large corporations and high growth, early stage telecommunication providers. He most recently served as Vice President, Finance and Investor Relations of Uniti Group Inc. Prior to joining Uniti, he served as CFO of multiple public and private telecommunication companies, including PEG Bandwidth, Hargray Communications and UbiquiTel Inc. He previously held senior finance positions with AT&T and Comcast. Mr. Volk holds a Bachelor of Science Degree in Accounting from the University of Delaware and a Master of Business Administration from Villanova University.

**Elaine M. Cheng**  
**Senior Vice President and Chief Information Officer**

Mrs. Cheng is Senior Vice President and Chief Information Officer for Shentel. She leads the Information Technology organization, Enterprise Project Management Office (EPMO), and Enterprise Risk Management program, and is responsible for our Customer Care and Tech Support functions. She joined the Company in March 2019 and has 20+ years of experience in diverse business environments across all areas of Information Technology. Prior to joining Shentel, Mrs. Cheng served as Chief Information Officer and Managing Director of Global Strategic Design for CFA Institute in Charlottesville, Va. Prior to her time at CFA Institute, Mrs. Cheng held a number of different roles over 16 years with M&T Bank in Buffalo, NY, including Group Vice President, Technology Business Services, Vice President of Retail Operations and Assistant Vice President, Web Product Owner. She received her Bachelor of Arts degree from Vassar College and her Masters of Business Administration from the University of Rochester. Additionally, Mrs. Cheng is a founding board member of Charlottesville Women in Tech, a non-profit organization which encourages women to join and thrive in technology careers.

**Dara Leslie**  
**Senior Vice President Sales and Marketing**

Dara Leslie is Senior Vice President of Sales and Marketing for Shentel. She joined Shentel in June 2022. She has 20+ years of experience in the broadband industry, including 10 years with Comcast as Vice President of Sales and Marketing for the Big South Region and Vice President of Marketing for the Central Division, seven years with Atlantic Broadband as Vice President/General Manager of the Maryland-Delaware markets and Vice President of Customer Care and Marketing, and six years with Charter in various leadership roles. Dara has a Master's degree from Old Dominion University and a Bachelor's degree from the University of North Carolina at Greensboro.

**Glenn E. Lytle**  
**Senior Vice President Commercial Sales**

Mr. Lytle is Senior Vice President Commercial Sales, leading all Enterprise and small business sales and sales operations activities for Shentel. Glenn joined Shentel in March 2024 and brought over 25 years of telecommunications experience. Glenn most recently served as Chief Revenue Officer at Horizon. Prior to Horizon, he served as Vice President of Sales of Segra, where he was responsible for developing and growing the enterprise space, and has also held a senior leadership role at Comcast. Mr. Lytle holds a Bachelor's degree from Baldwin Wallace University.

**Richard W. Mason Jr.**  
**Senior Vice President Engineering and Operations**

Mr. Mason is Senior Vice President Engineering and Operations at Shentel and is responsible for leading our network strategy, engineering, construction and operations functions. He joined Shentel in May 2019 as Vice President and Head of Business Operations responsible for Enterprise Program Management, Performance Management and Process Excellence across all business segments. Prior to joining Shentel, Mr. Mason was Head of Install and Repair Operations at Google Fiber. Before that, he held a variety of leadership roles over his 20+ year career with Cincinnati Bell, culminating in Vice President of Field Operations. He received his Bachelor of Science degree in Electrical Engineering from Ohio University and has an MBA from Xavier University.

**Heather K. Tormey**  
**Vice President and Chief Human Resources Officer**

Ms. Tormey is Vice President and Chief Human Resources Officer at Shentel. She joined the company in July 2019. Ms. Tormey brings 20+ years of experience in leading and managing strategic HR initiatives to Shentel. Prior to joining Shentel, Ms. Tormey was the Chief Human Resources Officer of American Woodmark, headquartered in Winchester, Virginia. Prior to American Woodmark, Ms. Tormey held numerous HR leadership positions with a variety of organizations across a range of industries, including Carlisle FoodService Products, UTC Aerospace Systems, Goodrich Corporation, Northern Power Systems, and IGT. She holds a Bachelor of Science in Psychology from Florida State University and a Master of Arts in Industrial Organizational Psychology from the University of New Haven.

**Tracy L. Willis**  
**Vice President and Chief Accounting Officer**

Ms. Willis is Vice President and Chief Accounting Officer for Shentel. She leads all accounting, financial reporting, internal controls, SEC, Sarbanes-Oxley and income tax compliance. She

joined Shentel in December 2024. Prior to joining Shentel, Ms. Willis worked for The Walt Disney Company where she spent the last 35 years in progressive accounting and finance leadership positions including Vice President, Segment Controller of Parks and Resorts, Vice President, Senior Controller for The Walt Disney Company and most recently as Vice President, Senior Controller of Finance Transformation. Tracy is a CPA and graduate of the University of Delaware.

**Harris E. Duncan**  
**Vice President Network Engineering**

Mr. Duncan is Vice President Network Engineering at Shentel and is responsible for planning, engineering and construction for the Wireline and Cable Networks. Mr. Duncan joined Shentel in April 2013, to lead the planning and sales support organizations. He was promoted to Director of Network Operations and Engineering in September 2013, and then to Director of Engineering and Planning in February 2017. He began his career with the U.S. Navy in 1989, with various levels of responsibility in the communications field. Prior to joining Shentel he was Director Network Engineering for Lumos Networks. Mr. Duncan is a graduate of Eastern Mennonite University in Harrisonburg, Virginia.

**Matthew B. Estep**  
**Vice President Outside Plant Engineering & Construction**

Mr. Estep is Vice President Outside Plant Engineering & Construction for Shentel. He joined the company in April 2011. He was promoted to Vice President in January 2021. His previous position was Director of Outside Plant Engineering and Construction. He is responsible for all outside plant engineering and construction for all technologies and brands, and across all markets in the Shentel footprint. Prior to joining Shentel, Mr. Estep held several engineering and construction positions at Verizon, most recently serving as Outside Plant Construction Manager. He holds a Bachelor of Science degree from Bridgewater College.

**Christopher S. Kyle**  
**Vice President Industry Affairs and Regulatory**

Mr. Kyle serves as Vice President Industry Affairs and Regulatory. He is responsible for negotiating programming agreements and is the primary contact with local, state and federal legislators and regulators. He joined the company in 2003, and has led projects in acquisitions, business development, long-range planning and Shentel Cable marketing and sales. Mr. Kyle began his career in 1994, and has experience in telecommunications, consumer products and investment banking. He earned a bachelor's degree from Randolph-Macon College and a master's degree from the Darden School of Business at the University of Virginia, and has held positions at Cable & Wireless, Broadslate and Craigie, Inc. (BB&T).

**Jeffrey A. Manning**  
**Vice President Product and Network Strategy**

Mr. Manning is Vice President Product and Network Strategy for Shentel. He is responsible for developing and managing Shentel's product roadmap, network strategy and geography, capital and supply chain management as well as engineering and operations data analytics and process improvement. Mr. Manning began his career in telecommunications with Shentel in 1993. He has held various operations and engineering leadership roles. Mr. Manning earned a BS in Organizational and Project Management from Colorado Christian University and a MS in Management, Strategy and Leadership from Michigan State University. He currently serves as Vice President of the Board of Directors for the Great Valleys Chapter of the Society of Cable Telecommunications Engineers.

**Daniel J. Meenan**  
**Vice President Operations**

Mr. Meenan is Vice President Operations for Shentel. He is responsible for all operational aspects of Shentel's networks, including Broadband and Commercial Services and Field Operations. Prior to joining Shentel, he most recently served as Vice President Engineering at nTelos Wireless. He worked for nTelos Wireless from 1995 to 2016, and held numerous leadership positions in engineering, cell site development, operations and sales. Mr. Meenan holds both bachelor's and master's degrees from Bucknell University, and has an MBA from Averett University.

**Craig R. Venable**  
**Vice President Commercial Sales**

Mr. Venable is Vice President Commercial Sales, leading all Enterprise and small business sales and sales operations activities for Shentel. He joined Shentel in April 2015. He was promoted to Vice President in June 2019. His previous position was Director of Fiber Sales, responsible for all Enterprise sales and operations. Prior to joining Shentel, Mr. Venable served as Vice President of Business Development at Cartesian and Director of Wholesale Sales at Verizon. Mr. Venable holds a BBA from James Madison University. Additionally, he served as Board Member and Treasurer for the Shenandoah County Chamber of Commerce from 2017-2020.

**Julie S. Wagoner**  
**Vice President Customer Service & Technical Support**

Mrs. Wagoner is Vice President Customer Service & Technical Support. She is responsible for overseeing Shentel's Customer Care and Tech Support functions. Julie is a well-tenured veteran of the telecommunications industry, serving over 15 years at nTelos before joining the Shentel

team in 2016 as part of the nTelos acquisition. Prior to becoming Vice President in 2021, Julie held the position of Director Customer Service at Shentel. Julie and her team's efforts have been key contributors to Shentel's increased favorable NPS scores and growing revenue. She received her Bachelor of Science in Leadership & Organizational Management from Eastern Mennonite University.

**Mark C. Watkins**  
**Vice President Marketing**

Mr. Watkins is Vice President Marketing for Shentel. He joined Shentel in September 2022. Prior to joining Shentel, Mark served as Senior Director of Marketing Strategy for the Central Division of Comcast, where he was responsible for strategic insight for pricing and packaging, competitive strategy, acquisition and base management, as well as helping to develop product strategy. Prior to Comcast, Mark was the Director of Marketing for the Southeast region for Cox Communications, where he was directly responsible for product management of digital video, and voice products. Mark holds a Bachelor of Science from Radford.

# **EXHIBIT E**

## **Proposed Tariff**

Shentel Asset Entity I LLC  
COMPETITIVE ACCESS PROVIDER  
TARIFF Regulations and Schedule of  
Charges  
For business and enterprise customers  
only

Title Page

This tariff is in concurrence with all applicable state and federal Laws (including, but not limited to, 52 Pa. Code, 66 Pa. C.S. and the Telecommunications Act of 1934, as amended), and with the Commission's applicable Rules and Regulations and Orders. Any provisions contained in this Tariff that are inconsistent with the foregoing mentioned will be deemed inoperative and superseded.

This tariff has been filed with the Pennsylvania Public Utility Commission. Copies are available for inspection at the Company's place of business:

Shentel Asset Entity I LLC  
500 Shentel Way  
Edinburg, VA 22824

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**TARIFF FORMAT**

- A. **Page Numbering** - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between Page 14 and 15 would be 14.1.
- B. **Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4<sup>th</sup> revised Page 14 cancels the 3<sup>rd</sup> revised Page 14.
- C. **Paragraph Numbering Sequence** - There are various levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
  - 2.1
  - 2.1.1
  - 2.1.1.1
  - 2.1.1.1.1
  - 2.1.1.1.1.1
- D. **Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross-reference to the current revision number. When new pages are added, the Check Sheet is changed to reflect the revision. An asterisk designates all revisions made in a given filing (\*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some pages.) The tariff user should refer to the latest Check Sheet to find out if a particular page is the most current on file with the Commission.

LIST OF MODIFICATIONS

CHANGES MADE IN THIS FILING:

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Issued: August 5, 2025

Effective date: August 5, 2025

Edward H. McKay, Executive Vice President and Chief Operating Officer  
Shentel Asset Entity I LLC  
500 Shentel Way  
Edinburg, VA 22824

## CHECK SHEET

Sheets 1 through 31 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheets(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<u>Page</u>	<u>Number of Revision</u>
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3	Original
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## Section 1- GENERAL

### 1 GENERAL

#### 1.1 Explanation of Symbols

The following symbols will be used in to signify changes to this tariff:

- (I) — To signify increased rate
- (D) — To signify decreased rate
- (C) — To signify all other changes

#### 1.2 Application of the Tariff

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate access services within the Commonwealth of Pennsylvania by Shentel Asset Entity I LLC.

This tariff applies only to the extent that services provided hereunder are used by a Customer for the purpose of originating or terminating intrastate communications. A communication is “intrastate” only if all points of origination and termination are located within the Commonwealth of Pennsylvania.

This tariff is in concurrence with all applicable State and Federal Laws (including but not limited to, 52 Pa. Code, 66 Pa. C.S., the Telecommunications Act of 1996), and the Commission's applicable Rules and Regulations and Orders. Any provisions contained in this tariff that are inconsistent with the foregoing mentioned will be deemed inoperative and superseded.

The Company's services are available to business Customers.

The Company's service territory is statewide and local calling areas are consistent with the tariffs of Verizon Pennsylvania, LLC, Verizon North, LLC and The United Telephone Company of Pennsylvania d/b/a CenturyLink.

#### 1.3 Definitions

1.3.1 “Carrier,” “Company” or “Utility” refers to Shentel Asset Entity I LLC,

1.3.2 “Commission” means the Pennsylvania Public Utility Commission.

1.3.3 “Customer” means any person, firm, corporation, or governmental entity who has applied for and is granted service or who is responsible for payment of service.

- 1.3.4 “FOC Date” means Firm Order Commitment Date.
- 1.3.5 “Gateway” means a Company location where its long haul and metro networks interconnect.
- 1.3.6 “Individual Case Basis (“ICB”)” means a service arrangement in which the regulation, rates and charges are developed based on the specific circumstances of the Customer.
- 1.3.7 “MRC” means monthly recurring charge.
- 1.3.8 “MTTR” means mean time to repair. It is the estimated average time required to correct network failures.
- 1.3.9 “NRC” means non-recurring charge.
- 1.3.10 “On-Net” means any service that is provided between locations on the telecommunications network owned by Shentel Asset Entity I LLC
- 1.3.11 “Off-Net” means service provided on a telecommunications network that is not part of the telecommunications network owned Shentel Asset Entity I LLC, but is used to provide services to a Customer.
- 1.3.12 “Service” means any telecommunications service(s) provided by the Carrier under this tariff.
- 1.3.13 “Service Order” is a written request for services executed by the Customer and the Company in the format required by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to the tariff.
- 1.3.14 “VGE” means Voice Grade Equivalent. The VGE for various circuit types are as follows:

Type of Circuit	VGE
DS-3	672 Channels
OC-3	2,016 Channels
OC-12	8,064 Channels
OC-48	32,256 Channels

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## Section 2 — RULES AND REGULATIONS

### 2 RULES AND REGULATIONS

#### 2.1 Undertaking of the Company

The Company undertakes to furnish facilities-based dedicated Wavelength and Ethernet services to business Customers within the Commonwealth of Pennsylvania. Subject to the approval by the Commission, the Company may offer other services in the future to complement its core dedicated broadband fiber optic services. To the extent that it is required, such future service offerings will be set forth in transmittals detailing changes to this tariff or other tariffs the Company has on file with the Commission.

Customers and users may use the services and facilities provided under this tariff to obtain access to services offered by other providers. The Company is responsible under this tariff only for the services provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own Customers.

The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company in a non-discriminatory manner consistent with the authority granted by the Commission.

The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.

#### 2.2 Obligations of the Customer

##### 2.2.1 The Customer shall be responsible for:

- 2.2.1.1 The payment of all applicable charges pursuant to this tariff;
- 2.2.1.2 Reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations, or by fire or theft or other casualty on the Customer's premises unless caused by the

negligence or willful misconduct of the employees or agents of the Company.

2.2.1.3 Providing at no charge, as specified from time to time by the Company, any needed space and power to operate the Company's facilities and equipment installed on the Customer's premises.

2.2.1.4 Complying with all laws and regulations regarding the working conditions on the premises at which the Company's employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain the Company's facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material prior to any construction or installation work.

2.2.1.5 Complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of the Company's facilities and equipment in any Customer premises for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company.

2.2.1.6 Making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance for interruptions in service will be made for the period during which service is interrupted for such purposes.

2.2.2 With respect to any service or facility provided by the Company, the Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses for:

2.2.2.1 Any loss, destruction or damage to property of the Company or any third party, or injury to persons, including, but not limited to, employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the

negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or

2.2.2.2 Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer.

2.2.3 The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The connection, operation, testing, or maintenance of such equipment shall be such as not to cause damage to the Company—provided equipment and facilities or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

2.2.4 The Company's services (as detailed in this tariff) may be connected to the services or facilities or other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs or contracts which are applicable to such connections.

2.2.5 Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in this tariff for the installation, operation, and maintenance of Customer-provided facilities and equipment that is connected to Company-owned facilities and equipment.

## 2.3 Liability of the Company

2.3.1 In view of the fact that the Customer has exclusive control over the use of service and facilities furnished by the Company, and because certain errors incident to the services and to the use of such facilities of the Company are unavoidable, services and facilities are furnished by the Company subject to the terms, conditions and limitations herein specified:

### 2.3.2 Service Irregularities

2.3.2.1 The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission, or failures or defects in facilities furnished

by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of the Customer, shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the service or facilities affected during the period such mistake, omission, interruption, delay, error or defect in transmission, or failure or defect in facilities continues after notice and demand to Company.

2.3.2.2 The Company shall not be liable for any act or omission of any connecting carrier, underlying carrier or local exchange company except where the Company contracts the other carrier, in which event the Company shall be liable only to the extent that the Company is able to recover from the other carrier and said recovery will be passed on to the Customer; for acts or omission of any other providers of connections, facilities, or service; or for culpable conduct of the Customer or failure of equipment, facilities or connection provided by the Customer.

### 2.3.3 Claims of Misuse of Service

2.3.3.1 The Company shall be indemnified and saved harmless by the Customer against claims for libel, slander, fraudulent or misleading advertisements or infringement of copyright arising directly or indirectly from material transmitted over its facilities or the use thereof; against claims for infringement of patents arising from combining or using apparatus and systems of the Customer with facilities of the Company; and against all other claims arising out of any act or omission of the Customer in connection with the services and facilities provided by the Company.

### 2.3.4 Defacement of Premises

2.3.4.1 The Company is not liable for any defacement of, or damage to, the Customer's premises related to the furnishing of service or the attachment of equipment and facilities furnished by the Company on such premises or by the installation or removal thereof, when such defacement or damage is not the result of negligence of the Company. For the purpose of this paragraph, no agents or employees of the other participating carriers shall be deemed to be agents or

employees of the Company except where contracted by the Company.

2.3.5 Facilities and Equipment in Explosive Atmosphere, Hazardous or Inaccessible Locations

2.3.5.1 The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service and not due to the gross negligence or willful misconduct of the Company.

2.3.6 Service at Outdoor Locations

2.3.6.1 The Company reserves the right to refuse to provide, maintain or restore service at outdoor locations unless the Customer agrees in writing to indemnify and save the Company harmless from and against any and all loss or damage that may result to equipment and facilities furnished by the Company at such locations. The Customer shall likewise indemnify and save the Company harmless from and against injury to or death of any person which may result from the location and use of such equipment and facilities.

2.3.7 Warranties

2.3.7.1 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A

PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

2.3.8 Limitation of Liability

2.3.8.1 In no event shall the Company be liable for direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, loss of revenues or profit, loss of goodwill, loss of use of any property, cost of substitute performance, equipment or services, downtime costs or any claim for damages, even if advised of the possibility of such damages.

2.3.8.2 The Company shall not be liable to the Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall be events of force majeure and may include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm, power failure, or other similar occurrences, any law, order, regulation, direction, action or request of the United States government or of any other government (including state and local governments or of any department agency, board, court, bureau, corporation or other instrumentality of any one or more said governments) or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays.

If the Company's failure of performance by reason of force majeure specified above shall be for thirty (30) days or less, then the service shall remain in effect, but an appropriate percentage of charges shall be abated and/or credited in the discretion and determination of the Company; if for more than thirty (30) days, then the service may be canceled by either party without liability.

2.4 Customer Liability for Unauthorized Use of the Network

Unauthorized use of the network occurs when a person or entity that does not have actual, apparent, or implied authority to use the network, obtains the Company's services provided under this tariff.

2.4.1 Customer Liability for Fraud and Unauthorized Use of the Network

- 2.4.1.1 Except as provided elsewhere in this tariff, the Customer is responsible for payment of all charges for services provided under this tariff furnished to the Customer. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by users, or other third parties, the Customer's employees or the public.
- 2.4.1.2 The Customer is liable for all costs incurred as a result of unauthorized use of the network, including service charges and any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive charges.
- 2.4.1.3 The Customer is responsible for payment of any charges related to the suspension and/or termination of service, and any charges for reconnection of service, incurred as a result of unauthorized use of the network.
- 2.4.1.4 The following activities constitute fraudulent use:
  - 2.4.1.4.1 Using the network to transmit a message, locate a person, or otherwise give or obtain information, without payment for the service;
  - 2.4.1.4.2 Using or attempting to use the network with the intent to avoid payment, either in whole or in part, of any of the Company's tariffed charges by either rearranging, tampering with, or making connections not authorized by this tariff to any service components used to furnish the Company's services or using fraudulent means or devices, tricks, schemes or false or invalid numbers, false credit devices or electronic devices.

## 2.5 Minimum Period of Service

### 2.5.1 Minimum Contract Period

- 2.5.1.1 Except as otherwise provided, the minimum contract period is one year for all services furnished.
- 2.5.1.2 The Company may require a minimum contract period longer than one year in connection with special, non-

standard types or arrangements of equipment, or for unusual construction, necessary to meet special demands for service.

## 2.5.2 Cancellation of Service/Termination Liability

### 2.5.2.1 Cancellation of Service

Customer may cancel a Service Order without Termination Charges if written notice of cancellation is received by the Company at the fax number specified on the Service Order before the FOC Date has been issued for that Service Order. If Customer cancels a Service Order after the FOC Date has been issued for that Service Order, Termination Charges, which are defined below, shall apply. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in this tariff.

### 2.5.2.2 Termination Liability

If the service is terminated by reason of Customer's default, before the expiration of the term, or if Customer cancels or terminates the Service without cause prior to the end of the term by providing the Company with no less than ninety (90) days prior written notice, in addition to all other sums due and owing, Customer will be required to pay a termination charges ("Termination Charges") as set forth below and as reflected in a Customer's service order or contract. The parties acknowledge and agree Termination Charges reflects a reasonable estimate of the damages incurred by the Company as a result of the early termination, and is not a penalty against the Customer. Notwithstanding the foregoing, the Customer shall be liable for (a) the Company's costs of construction and installation on the Customer's behalf relating to the Service plus fifteen percent (15%); (b) all disconnection, early cancellation, penalties or termination charges payable to third parties incurred by the Company on the Customer's behalf relating to the Service; (c) all applicable sales or other taxes; and (d) all other non-monetary remedies in the case of the Customer's default. Notwithstanding any provision or inference to the contrary contained herein, any monetary sums theretofore owing under this Tariff or a Service Order or Contract shall survive its termination.

## 2.6 Payment for Service

2.6.1 Service will be billed directly by the Company on a monthly basis and is due and payable upon receipt or as specified on the Customer's bill. Service will continue to be provided until canceled by the Customer or discontinued by the Company as set forth in Section 2.14 of this tariff.

2.6.2 The Customer is responsible for payment of all charges for service furnished to the Customer. Charges based on actual usage during a month will be billed monthly in the month following the month in which the service was used. All fixed monthly and nonrecurring charges for services ordered will be billed monthly in advance.

### 2.6.3 Advance Payments

The Company reserves the right to require from an applicant for service advance payments of fixed charges and nonrecurring charges. The advance payment will not exceed an amount equal to the nonrecurring charge(s) and one (1) month's recurring charges for the service or facility.

In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated nonrecurring charges for the special construction. The advance payment will be applied to any indebtedness for the service and facilities for which the advance payment is made on the Customer's initial bill.

Advance payments for installation costs or special construction will be credited on the first bill in their entirety. Advance payments do not accrue interest.

2.6.4 If the Company provides service under a term plan (1,3,5 years, etc.) and (1) automatically renews the contract, and (2) imposes a termination charge for early cancellation by the Customer, then the Customer shall be notified sixty (60) in advance of the Customer's current contract expiration date.

## 2.7 Customer Deposits

2.7.1 The Company reserves the right to validate the creditworthiness of the Customer prior to the commencement of service, and to reject, in the Company's sole judgment, unqualified Customers. No Customer shall have any claim against the Company for credit rejection. A Customer may be required to provide the Company with a security deposit which the Company may apply against overdue charges. The amount of the security deposit shall be equal to the charge for two months of service. If subsequent

payment or usage patterns change, the Company may request an increase in or re-submission of the security deposit as appropriate. The Company may also require a security deposit before service is restored (along with the payment of overdue charges) from the Customer whose service has been discontinued for nonpayment of overdue charges. Such security deposit may be based on a new credit history (taking into account the discontinuance of service) and estimates of usage.

2.7.2 The fact that a deposit has been made shall in no way relieve the applicant or Customer from complying with the Tariff regulations for the prompt payment of bills on presentation. Each applicant from whom a deposit is collected will be given a certificate of deposit and circular containing the terms and conditions applicable to deposits, in accordance with the Rules and Regulations of the Commission pertaining to Customer deposits.

#### 2.7.3 Inadequate Deposit

If the amount of the deposit is proven to be less than required to meet the requirements specified above, then the Customer shall be required to pay an additional deposit upon request.

#### 2.7.4 Return of Deposit

When a deposit is to be returned, the Customer may request that the full amount of the deposit be issued by check. If the Customer requests that the full amount be credited to amounts owed the Company, the Company will apply the deposit to any amount currently owed to the Company, and return any remaining amount to the deposit to the Customer by check. If the Customer is not entitled to a refund under 52 Pa. Code § 64.37, the Company shall review the Customer's account each succeeding quarter and make the appropriate disposition of the deposit in accordance with § 64.37 and § 64.38 (relating to the application of deposit to bills).

#### 2.7.5 Refund Statement

When a cash deposit is refunded, the Company shall either mail or deliver to the Customer a written statement showing the amount of the original deposit plus all accrued interest, the application of the deposit to a bill which had previously accrued, the amount of the unpaid bills liquidated by the deposit, and the remaining balance.

#### 2.7.6 Interest on Deposits

Interest on deposits shall be calculated in at a rate of 6% per annum, in accordance with the manner prescribed by the Commission.

2.8 Late Payment Charges

2.8.1 If any portion of the payment is received by the Company after the due date, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment charge shall be due to the Company. The late payment charge is the amount of the lesser of 1.25% of the unpaid balance per month or the highest percentage allowable by the Commission per month for bills not paid within thirty (30) days of mailing of the invoice. A late payment charge is not applicable to subsequent rebilling of any amount to which a late payment charge has already been applied nor to security deposits. Late payment charges will be applied without discrimination.

2.9 Customer Complaints and Billing Disputes

2.9.1 Customers should notify the Company of billing or other disputes in writing within thirty (30) days of the date of mailing of the invoice and should provide detailed information regarding any such disputed amounts. Any amounts disputed in good faith shall not be due and payable until such dispute is resolved. All undisputed amounts are due and payable by the due date. The Company's Customer Service representatives may be contacted at:

500 Shentel Way  
PO Box 459  
Edinburg, VA 22824  
Toll-free Telephone: (800) 743-6895  
Attn: Customer Service Department

2.9.2 The Company will then follow the procedures set forth by the Commission's rules regarding disputed bills. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Company will inform the Customer of his or her right to file a complaint with the Commission in accordance with the Commission's rules of procedure.

Customer complaints and billing disputes that are not satisfactorily resolved may be presented by the Customer to:

Pennsylvania Public Utility Commission  
Bureau of Consumer Services  
North Office Building, Room B20

Harrisburg, Pennsylvania 17105  
Toll-free Telephone: 1-800-692-7380

2.9.3 If the resolution of such dispute favors the Customer, the Company shall:

2.9.3.1 Credit the Customer in the amount of the disputed amount if the Customer previously paid such amount to the Company; or,

2.9.3.2 Forgive such disputed amount if the Customer did not previously pay such disputed amount to the Company.

2.9.4 If the resolution of such dispute favors the Company, either:

2.9.4.1 Immediately upon resolution, the Customer shall pay the disputed amount together with interest accrued thereon if not previously paid to the Company; or,

2.9.4.2 the Company shall keep such disputed amount together with any accrued interest thereon if previously paid to the Company.

2.10 Allowance for Interruptions in Service

2.10.1 Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in equipment owned, provided, or billed for, by the Company. If the affected service or equipment is provided by an underlying carrier, a credit will be allowed to the extent that such credit is recovered by the Company from the underlying carrier.

2.10.2 A service is interrupted when it becomes inoperative to the Customer. That is, the Customer is unable to transmit or receive because of a failure of a component furnished by the Company under this tariff.

2.10.3 An interruption period begins when the Customer reports a service, facility, or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.

2.10.4 If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.

2.10.5 The Customer shall be responsible for the payment of service charges for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

2.10.6 Limitations of Allowances for Interruptions in Services No credit allowances will be made for any interruption in service:

2.10.6.1 Due to the negligence of or noncompliance with the provisions of this tariff by any person or entity other than the Company;

2.10.6.2 Due to the failure of power, equipment, systems, connections, or services not provided by the Company;

2.10.6.3 During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;

2.10.6.4 During any period in which the Customer continues to use the service on an impaired basis;

2.10.6.5 During any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Service Order for a change in service arrangements;

2.10.6.6 That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction;

2.10.6.7 That was not reported to the Company within thirty (30) days of the date that service was affected.

2.10.7 Use of Another Means of Communication

If the Customer elects to use another means of communications during the period of interruption, the Customer will be fully responsible for all charges for the alternative service used.

2.10.8 A credit allowance will be issued in accordance with the following:

2.10.8.1 A credit will be given for any unplanned period of complete loss of transmit or receive capability occurring on the Company's network ("Outage Credit"), subject to the Limitations of Allowances for Interruptions in Service set forth above and the provisions of 52 Pa. Code § 63.24(6)(3)

2.10.8.2 On-Net Services Outage Credit

For On-Net Services, the Customer will be credited with no more than the equivalent of one month's recurring circuit charge for the affected Service for a complete loss of receipt or transmission capability lasting more than one thousand four hundred forty (1,440) aggregate minutes in any thirty-day period, provided, the cause of such Service Outage is determined to be on the Company's network. Credits will only be received if a) both ends of such circuits are on the Company's network, and b) the cause of such Service Outage is determined to be in the Company's network. No more than one (1) full month's credit will be provided for the Service in any one (1) month.

For On-Net Services Service Outages on the Company's network defined in the preceding paragraph, the Customer will be credited 1/1,440 of monthly recurring charges per thirty (30)-minute Service Outage up to and including a twenty-four (24)-hour period.

The Outage Credit shall apply to the charges for the Service affected by a Service Outage; provided, however, that if any portion of the affected Service remains beneficially used or usable by the Customer between any intermediate terminals (where Customer has installed drop and insert capability) or end terminals, the credit shall not apply to that portion of the Service. The Company shall give notice to the Customer of any scheduled outage as early as is practicable, and a scheduled outage shall under no circumstances be viewed as a Service Outage hereunder.

Outage Credits shall not be granted if the malfunction of any end-to-end circuit is due to a Service Outage or other defect occurring in the Customer's interconnection service or Customer equipment.

2.10.8.3 Off-Net Services Outage Credit

For Off-Net Services, the Customer will be credited no more than the same credit received by the Company from the underlying carrier as a pass-thru credit.

2.10.8.4 Liability for Service Outage

The Outage Credits provided above shall be the Customer's sole and exclusive remedy for Service Outage or interruptions of service. The Company shall not have any liability of any nature whatsoever to any third parties relating to such interruptions and Customer agrees to hold the Company harmless from any claims, damages or liabilities relating thereto.

2.11 Taxes and Fees

2.11.1 All state and local taxes and fees shall be listed as separate line items on the Customer's bill.

2.11.2 If a municipality, other political subdivision or local agency of government, or the Commission imposes and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee, or regulatory fee, such taxes and fees shall, as allowed by law, be billed pro rata to the Customer receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.

2.11.3 Service shall not be subject to taxes for a given taxing jurisdiction if the Customer provides the Company with written verification, acceptable to the Company and to the relevant taxing jurisdiction, that the Customer has been granted a tax exemption.

2.12 Returned Check Charge

A charge of \$25.00 will be assessed for any check returned by drawee bank or other financial institution for: insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or other financial institution.

2.13 Special Customer Arrangements

In cases where a Customer's order requires special or unique arrangements which may include but are not limited to engineering, conditioning, installation, construction, facilities, assembly, purchase or lease of facilities and/or other special services not offered under this tariff, the Company, may provide the requested services. Appropriate recurring charges and/or nonrecurring charges and other terms and conditions will be developed for the Customer for the provisioning of such arrangements.

## 2.14 Termination of Service:

### 2.14.1 Denial of Service Without Notice

The Company may discontinue service without notice for any of the following reasons:

- 2.14.1.1 Hazardous Condition. For a condition on the Customer's premises determined by the Company to be hazardous.
- 2.14.1.2 Adverse Effect on Service. Customer's use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others.
- 2.14.1.3 Tampering With Company Property. Customer's tampering with equipment furnished and owned by the Company.
- 2.14.1.4 Unauthorized Use of Service. Customer's unauthorized use of service by any method which causes hazardous signals over the Company's network.
- 2.14.1.5 Illegal use of Service. Customer's use of service or equipment in a manner to violate the law.

### 2.14.2 Denial of Service Requiring Notice

2.14.2.1 The Company may deny service for any of the following reasons provided it has notified the Customer of its intent, in writing, to deny service and has allowed the Customer a reasonable time of not less than seven (7) days in which to remove the cause for denial:

- 2.14.2.1.1 A Non-compliance with Regulations. For violation of or non-compliance with regulations contained in Title 52 of the Pennsylvania Administrative Code, or for

violation of or non-compliance with the Company's tariffs on file with the Commission.

2.14.2.1.2 Failure on Contractual Obligations. For failure of the Customer to fulfill his contractual obligations for service or facilities subject to regulation by the Pennsylvania Public Utility Commission.

2.14.2.1.3 Refusal of Access. For failure of the Customer to permit the Company to have reasonable access to its equipment.

2.14.2.1.4 Non-payment of Bill.

2.14.2.1.1 For non-payment of a bill for service, provided that the Company has made a reasonable attempt to effect collection and has given the Customer written notice of its intent to deny service if settlement of his account is not made and provided the Customer has at least seven (7) days, excluding Saturdays, Sundays, bank holidays or any days when the business office of the Company is closed, in which to make settlement before his service is denied.

2.14.2.1.2 In cases of bankruptcy, receivership or abandonment of service, the Company may, by seven (7) days notice to the Customer, discontinue or suspend service without incurring any liability.

2.14.2.1.3 Failure to Comply with Service Conditions. For failure of the Customer to furnish the service equipment, permits, certificates, or rights-of-way, specified by the Company as a condition to obtaining service, or if the equipment or

permissions are withdrawn or terminated.

2.14.2.1.4 Failure to Comply with Municipal Ordinances. For failure to comply with municipal ordinances or other laws pertaining to service.

2.14.2.1.5 Failure to Pay Increased Deposit Required. For failure of the Customer to pay an increased security deposit when warranted by the Company to protect its revenue.

2.14.2.2 Upon the Company's discontinuance of service to the Customer under Section 2.14.2.1.A or 2.14.2.1.D.1, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

2.14.2.3 If service is disconnected or suspended by the Company and later re-installed or restored, re-installation or restoration of service will be subject to all applicable installation charges.

## 2.15 Unlawful Use of Service

Service shall not be used for any purpose in violation of law or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents, and permits.

## 2.16 Interference with or Impairment of Service

Service shall not be used in any manner that interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other Customers. The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others or impairing the service of others.

## 2.17 Overcharge/Undercharge

2.17.1 When a Customer has been overcharged, the amount shall be refunded or credited to the Customer.

2.17.2 When a Customer has been undercharged, the amount shall be billed to the Customer.

2.17.3 Back Billing

The Company shall be entitled to revise bills previously rendered to adjust for previously rendered unbilled service, or adjust upward a bill previously rendered, assuming that the Customer was aware of the unbilled services during the period the services were unbilled, for a period of two years after the service was rendered.

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### Section 3 — DESCRIPTION OF SERVICES

#### 3 DESCRIPTION OF SERVICES

##### 3.1 Transmission Service

Transmission Service is offered via the Company's facilities for the transmission of one-way and two-way communications.

##### 3.2 Digital Channels

Digital channels over the Company's Network are furnished for full-duplex transmission of digital signals at operating speeds as follows:

44.736 Mbps (DS-3)

##### 3.3 Airline Mileage

Airline mileage, used in conjunction with the rates in Section 4, is obtained using the "V" and "H" coordinates assigned to each point as set forth in the National Exchange Carrier Association Tariff FCC No. 4. The calculation is generally defined as the square root of the sum of the squares of the differences between the "V" and "H" coordinates, divided by 10. Any fractional miles are rounded to the next whole mile before rates are applied.

##### 3.4 Trouble Isolation Charges

The Trouble Isolation Charge applies for time spent on a Customer's premises by a Company employee or its agent during which it is determined that a service difficulty or trouble reported results from Customer-provided terminal equipment and/or communications systems.

When a Customer reports trouble to the Company for clearance and no trouble is found in the Company's facilities, the Customer may be responsible for payment of a charge calculated from the time Company personnel are dispatched to the Customer Premise until the work is completed.

Failure of Company personnel to find trouble in the Company's facilities will result in no charge if the trouble is actually in those facilities but not discovered at that time. The Customer may be responsible for payment of charges when the Company dispatches personnel to the Customer's premises and the trouble is in equipment or communications systems provided by other than the Company.

Charges will be made at the Company's current labor rates including appropriate overheads and are subject to overtime and premium time for work outside of normal Company hours. Charges will be based on a minimum of four hours.

### 3.5 Collocated Interconnection

The Company will make available both virtual and physical collocations subject to the availability of space and the absence of other technical or legal limitations.

The rates and charges associated with collocation will be determined on an individual case basis.

### 3.6 Promotional Offerings

The company may from time to time engage in special promotional service offerings designed to attract new customers or to increase existing subscriber awareness of a particular tariff offering. These offerings may be limited to certain dates, times, and/or locations and may be available, if at all, on an individual case basis.

All promotional offerings will be filed as tariff supplements with the Pennsylvania Utility Commission on at least one day's notice prior to the actual offering to customers.

## Section 4 — RATES AND CHARGES

## 4 RATES AND CHARGES

## 4.1 DS-3

DS-3 service is a digital transmission facility of 44.736 Mbps. This service supports voice, analog data, digital data, and video. Service is available 24 hours per day, seven days per week.

Rates per circuit: (for circuits where point of origination and termination are on-net)

One year term:

NRC Installation: \$30,000.00

MRC per circuit:

Channel Termination, per termination \$1,600.00

Channel Mileage Fixed, per circuit \$ 100.00

Channel Mileage Facility, per mile \$ 100.00

Three year term:

NRC Installation: \$15,000.00

MRC per circuit:

Channel Termination, per termination \$800.00

Channel Mileage Fixed, per circuit \$ 100.00

Channel Mileage Facility, per mile \$ 100.00

Five year term:

NRC Installation: \$3000.00

MRC per circuit:

Channel Termination, per termination \$600.00

Channel Mileage Fixed, per circuit \$ 100.00

Channel Mileage Facility, per mile \$ 100.00

## 4.2 Special Construction

## 4.2.1 Basis for Rates and Charges

Rates and charges for special construction will be based on the costs incurred by the Company and may include non-recurring type charges (applied on a time and materials basis), recurring type charges, termination liabilities, or combinations thereof.

## 4.2.2 Basis for Cost Computation

The costs referred to in 4.2.1 may include one or more of the following items to the extent that they are applicable:

(A) costs associated with the installation of the facilities to be provided, including estimated costs for the rearrangements of existing facilities, including cost of:

- 1) equipment and materials provided or used,
- 2) engineering, labor and supervision,
- 3) transportation, and
- 4) rights-of-way;

(B) cost of maintenance;

(C) depreciation on the estimated cost installed of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage;

(D) administration, taxes and uncollectible revenue on the basis of reasonable average costs for these items;

(E) license preparation, processing and related fees;

(F) tariff preparation, processing and related fees;

(G) any other identifiable costs related to the facilities provided; or

(H) an amount for return and contingencies.

#### 4.3 Individual Case Basis

In lieu of the rates otherwise set forth in this tariff, rates and charges, including minimum usage, installation, special construction and recurring charges for Company's services may be established at negotiated rates on an Individual Case Basis ("ICB"). Such arrangements shall be considered special pricing arrangements, the terms of which will be set forth in individual Customer contracts.

Rates and terms for services that the Company offers to Customers may vary depending on a number of factors, which may include:

- length of circuit(s)
- volume and/or term commitments
- varying equipment types and configurations
- special construction

- type of service(s)
- cost differences (labor, taxes, fees paid to LEC for interconnection, etc.)
- customer-specific billing arrangements
- other miscellaneous fees and charges (e.g. rights-of-way charges, franchise fees and building rights-of-way costs, etc.)
- market conditions and/or competitive considerations
- availability of existing facilities

However, unless otherwise specified in the individual Customer contract, the terms, conditions, obligations and regulations set forth in this tariff other than this Section 4 shall be incorporated into, and become part of, said contract, and shall be binding on Company and Customer.

Specialized rates or charges will be made available to similarly situated Customers on a nondiscriminatory basis. In addition to any rate or charge established by the Company, the Customer will also be responsible for any recurring or non-recurring charges imposed by local exchange telephone companies incurred by or on behalf of the Customer in establishing or maintaining service. Such charges may be billed by the Company or directly by the local exchange company, at the Company's option. ICB rates will be provided under contract to the customer.

# **EXHIBIT F**

## **Financial Statements**

UNITED STATES OF AMERICA  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549  
FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2024
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No.: 000-09881



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 No.)

500 Shentel Way, Edinburg, Virginia 22824  
(Address of principal executive offices) (Zip Code)  
(540) 984-4141 (Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Common Stock (No Par Value) (Title of Class)	SHEN (Trading Symbol)	NASDAQ Global Select Market (Name of Exchange on which Registered)	54,672,524 (The number of shares of the registrant's common stock outstanding on February 13, 2025)
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SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

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  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes  No

If securities are registered pursuant to Section 12(b) of the Exchange Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the registrant's voting stock held by non-affiliates of the registrant at June 30, 2024 based on the closing price of such stock on the Nasdaq Global Select Market on such date was approximately \$0.7 billion.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to its 2025 annual meeting of shareholders (the "2025 Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The 2025 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

Auditor Name: RSM US LLP Auditor Location: Boston, Massachusetts Auditor Firm ID: 49

**SHENANDOAH TELECOMMUNICATIONS COMPANY  
AND SUBSIDIARIES**

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## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors Shenandoah Telecommunications Company

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Shenandoah Telecommunications Company and its subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and our report dated February 20, 2025 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### Valuation of Certain Identifiable Assets Acquired in a Business Combination

As described in Notes 1 and 3 to the financial statements, on April 1, 2024, the Company acquired 100% of the issued and outstanding equity interests of Horizon Acquisition Parent LLC ("Horizon") for total consideration of \$416.2 million. The transaction was accounted for as a business combination using the acquisition method of accounting. The fair values of property, plant and equipment and intangible assets, which consists primarily of customer relationships, were valued using the cost approach.

We identified valuation of property, plant and equipment and customer relationships acquired in the business combination as a critical audit matter because of the significant assumptions management used in estimating their fair values. Auditing management's assumptions used in the estimates of fair value, including estimates of replacement costs involved a high degree of auditor judgment and increased audit effort, including the use of our valuation specialists, due to the impact these assumptions have on the estimates of fair value.

Our audit procedures related to the property, plant and equipment and customer relationships acquired in the business combination included the following, among others:

- We obtained an understanding of the relevant controls related to the valuation of these assets and tested such controls for design, implementation and operating effectiveness.

- We read the purchase and sale agreement to understand and evaluate the terms of the acquisition, including the assets acquired.
- We tested the underlying data used by management to estimate the fair value of the property, plant and equipment and customer relationships for completeness and accuracy.
- We tested the reasonableness of management's selection of the replacement costs used in the valuation of the property, plant and equipment by assessing the nature, age and condition of the subject assets.
- We tested the reasonableness of the replacement costs used in the valuation of the customer relationships by comparing the estimates of replacement costs to historical results.
- We utilized our valuation specialists to assist in the following procedures, among others:
  - Assessing the appropriateness of management's valuation methodologies based on the nature of the fair value estimate.
  - Corroborating the market data used by management to estimate the fair values of the property, plant and equipment by comparing such data to publicly available information.

/s/ RSM US LLP

We have served as the Company's auditor since 2022.

Boston, Massachusetts  
February 20, 2025

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Shenandoah Telecommunications Company

### **Opinion on the Internal Control Over Financial Reporting**

We have audited Shenandoah Telecommunications Company's (the Company) internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes to the consolidated financial statements of the Company and our report dated February 20, 2025 expressed an unqualified opinion.

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded Horizon Acquisition Parent LLC and subsidiaries ("Horizon") from its assessment of internal control over financial reporting as of December 31, 2024, because it was acquired by the Company in a business combination during the second quarter of 2024. We have also excluded Horizon from our audit of internal control over financial reporting. Horizon is a wholly owned subsidiary whose total assets and revenue represent approximately 27% and 14%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2024.

### **Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ RSM US LLP

Boston, Massachusetts  
February 20, 2025

**SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**December 31, 2024 and 2023**

<i>(in thousands)</i>	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 46,272	\$ 139,255
Accounts receivable, net of allowance for credit losses of \$1,156 and \$886, respectively	29,722	19,782
Income taxes receivable	1,244	4,691
Prepaid expenses and other	17,282	11,782
Current assets held for sale	—	561
Total current assets	94,520	176,071
Investments	15,709	13,198
Property, plant and equipment, net	1,438,538	850,337
Goodwill and intangible assets, net	157,723	81,123
Operating lease right-of-use assets	19,548	13,024
Deferred charges and other assets	14,235	11,561
Non-current assets held for sale	—	68,915
Total assets	\$ 1,740,273	\$ 1,214,229
<b>LIABILITIES, TEMPORARY EQUITY AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Current maturities of long-term debt, net of unamortized loan fees	\$ 9,204	\$ 7,095
Accounts payable	57,820	53,546
Advanced billings and customer deposits	16,104	12,394
Accrued compensation	16,283	11,749
Current operating lease liabilities	3,060	2,222
Accrued liabilities and other	12,100	7,747
Current liabilities held for sale	—	3,602
Total current liabilities	114,571	98,355
Long-term debt, less current maturities, net of unamortized loan fees	407,675	292,804
Other long-term liabilities:		
Deferred income taxes	167,716	88,147
Benefit plan obligations	4,945	3,943
Non-current operating lease liabilities	10,794	7,185
Other liabilities	33,525	16,912
Non-current liabilities held for sale	—	54,213
Total other long-term liabilities	216,980	170,400
Commitments and contingencies (Note 16)		
Temporary equity:		
Redeemable noncontrolling interest	82,464	—
Shareholders' equity:		
Common stock, no par value, authorized 96,000; 54,605 and 50,272 issued and outstanding at December 31, 2024 and 2023, respectively	—	—
Additional paid in capital	147,733	66,933
Retained earnings	768,997	584,069
Accumulated other comprehensive income, net of taxes	1,853	1,668
Total shareholders' equity	918,583	652,670
Total liabilities, temporary equity and shareholders' equity	\$ 1,740,273	\$ 1,214,229

See accompanying notes to consolidated financial statements.

**SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Years Ended December 31, 2024, 2023 and 2022**

(in thousands, except per share amounts)

	2024	2023	2022
Service revenue and other	\$ 328,058	\$ 269,131	\$ 248,911
Operating expenses:			
Cost of services exclusive of depreciation and amortization	128,112	100,850	102,279
Selling, general and administrative	115,193	99,304	91,113
Restructuring, integration and acquisition	14,509	2,915	1,251
Impairment expense	382	2,552	5,241
Depreciation and amortization	98,453	63,368	66,483
Total operating expenses	<u>356,649</u>	<u>268,989</u>	<u>266,367</u>
Operating (loss) income	(28,591)	142	(17,456)
Other (expense) income:			
Interest expense	(15,897)	(4,212)	(1,577)
Other income, net	6,461	5,587	215
(Loss) income from continuing operations before income taxes	<u>(38,027)</u>	<u>1,517</u>	<u>(18,818)</u>
Income tax (benefit) expense	(9,670)	501	(3,400)
(Loss) income from continuing operations	<u>(28,357)</u>	<u>1,016</u>	<u>(15,418)</u>
Discontinued operations:			
Income from discontinued operations, net of tax	1,957	7,022	7,039
Gain on the sale of discontinued operations, net of tax	220,217	—	—
Total income from discontinued operations, net of tax	<u>222,174</u>	<u>7,022</u>	<u>7,039</u>
Net income (loss)	193,817	8,038	(8,379)
Dividends on redeemable noncontrolling interest	3,429	—	—
Net income (loss) attributable to common shareholders	<u>\$ 190,388</u>	<u>\$ 8,038</u>	<u>\$ (8,379)</u>
Net income (loss) per share attributable to common shareholders, basic and diluted:			
Basic - (Loss) income from continuing operations	\$ (0.59)	\$ 0.02	\$ (0.31)
Basic - Income from discontinued operations, net of tax	4.13	0.14	0.14
Basic net income (loss) per share	<u>\$ 3.54</u>	<u>\$ 0.16</u>	<u>\$ (0.17)</u>
Diluted - (Loss) income from continuing operations	\$ (0.59)	\$ 0.02	\$ (0.31)
Diluted - Income from discontinued operations, net of tax	4.13	0.14	0.14
Diluted net income (loss) per share	<u>\$ 3.54</u>	<u>\$ 0.16</u>	<u>\$ (0.17)</u>
Weighted average shares outstanding, basic	<u>53,722</u>	<u>50,396</u>	<u>50,155</u>
Weighted average shares outstanding, diluted	<u>53,722</u>	<u>50,715</u>	<u>50,155</u>
Cash dividends declared per common share	<u>\$ 0.10</u>	<u>\$ 0.09</u>	<u>\$ 0.08</u>

See accompanying notes to consolidated financial statements.

**SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**Years Ended December 31, 2024, 2023 and 2022**

*(in thousands)*

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net income (loss)	\$ 193,817	\$ 8,038	\$ (8,379)
Other comprehensive income (loss):			
Net change in unrealized gain	1,850	1,668	—
Amounts reclassified to interest expense	<u>(1,665)</u>	<u>—</u>	<u>—</u>
Comprehensive income (loss)	194,002	9,706	(8,379)
Dividends on redeemable noncontrolling interest	3,429	—	—
Comprehensive income (loss) attributable to common shareholders	<u>\$ 190,573</u>	<u>\$ 9,706</u>	<u>\$ (8,379)</u>

*See accompanying notes to consolidated financial statements.*

**SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
**Years Ended December 31, 2024, 2023 and 2022**  
*(in thousands)*

	Redeemable Noncontrolling Interest		Common Stock			Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Shares	Amount	Shares (no par value)	Additional Paid in Capital	Retained Earnings		
<b>Balance, December 31, 2021</b>	—	—	49,965	\$ 49,351	\$ 592,924	\$ —	\$ 642,275
Net loss	—	—	—	—	(8,379)	—	(8,379)
Dividends declared	—	—	—	—	(3,991)	—	(3,991)
Stock-based compensation	—	—	194	9,178	—	—	9,178
Shares surrendered for settlement of employee taxes upon issuance of vested equity awards	—	—	(49)	(1,076)	—	—	(1,076)
<b>Balance, December 31, 2022</b>	—	—	50,110	57,453	580,554	—	638,007
Net income	—	—	—	—	8,038	—	8,038
Unrealized gain on interest rate hedge, net of tax	—	—	—	—	—	1,668	1,668
Dividends declared	—	—	—	—	(4,523)	—	(4,523)
Stock-based compensation	—	—	231	10,823	—	—	10,823
Common stock issued	—	—	2	44	—	—	44
Shares surrendered for settlement of employee taxes upon issuance of vested equity awards	—	—	(71)	(1,387)	—	—	(1,387)
<b>Balance, December 31, 2023</b>	—	—	50,272	66,933	584,069	1,668	652,670
Net income	—	—	—	—	193,817	—	193,817
Unrealized gain on interest rate hedge, net of tax	—	—	—	—	—	1,850	1,850
Amounts reclassified from accumulated other comprehensive income to interest expense	—	—	—	—	—	(1,665)	(1,665)
Dividends declared	—	—	—	—	(5,460)	—	(5,460)
Stock-based compensation	—	—	319	10,651	—	—	10,651
Common stock issued	—	—	4,103	71,876	—	—	71,876
Shares surrendered for settlement of employee taxes upon issuance of vested equity awards	—	—	(89)	(1,727)	—	—	(1,727)
Issuance of redeemable noncontrolling interest, net of financing fees paid	81	79,380	—	—	—	—	—
Preferred stock dividends - paid in kind	—	3,084	—	—	(3,084)	—	(3,084)
Preferred stock dividends - participating	—	—	—	—	(345)	—	(345)
<b>Balance, December 31, 2024</b>	<b>81</b>	<b>82,464</b>	<b>54,605</b>	<b>\$ 147,733</b>	<b>\$ 768,997</b>	<b>\$ 1,853</b>	<b>\$ 918,583</b>

See accompanying notes to consolidated financial statements.

**SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2024, 2023 and 2022**

(in thousands)

	2024	2023	2022
<b>Cash flows from operating activities:</b>			
Net income	\$ 193,817	\$ 8,038	\$ (8,379)
Income from discontinued operations, net of tax	222,174	7,022	7,039
(Loss) income from continuing operations	(28,357)	1,016	(15,418)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	96,908	62,878	65,759
Amortization of intangible assets	1,545	490	724
Provision for credit losses	2,132	2,852	1,972
Stock-based compensation expense, net of amount capitalized	9,837	10,033	8,528
Deferred income taxes	(9,759)	2,973	(1,414)
Impairment expense	382	2,552	5,241
Gain on sale of FCC spectrum licenses	—	(1,328)	—
Other, net	626	(462)	499
Changes in assets and liabilities, net of effects of business acquisition:			
Accounts receivable	(2,452)	(143)	(583)
Current income taxes	1,382	25,532	1,054
Operating lease assets and liabilities, net	(361)	65	232
Other assets	(3,268)	4,879	348
Accounts payable	(2,240)	(2,959)	79
Other deferrals and accruals	3,004	(4,048)	(1,594)
Net cash provided by operating activities - continuing operations	69,379	104,330	65,427
Net cash (used in) provided by operating activities - discontinued operations	(6,812)	9,444	9,468
Net cash provided by operating activities	62,567	113,774	74,895
<b>Cash flows from investing activities:</b>			
Capital expenditures	(319,070)	(255,070)	(188,989)
Government grants received	19,238	1,904	—
Cash disbursed for acquisition, net of cash acquired	(347,411)	—	—
Proceeds from the sale of FCC spectrum licenses	—	17,300	—
Refund received for deposit on FCC spectrum leases	—	—	3,996
Proceeds from sale of assets and other	2,010	655	1,434
Net cash used in investing activities - continuing operations	(645,233)	(235,211)	(183,559)
Net cash provided by (used in) investing activities - discontinued operations	305,827	(1,480)	(620)
Net cash used in investing activities	(339,406)	(236,691)	(184,179)
<b>Cash flows from financing activities:</b>			
Principal payments on long-term debt	(7,044)	—	—
Proceeds from credit facility borrowings	125,000	225,000	75,000
Payments for debt amendment costs	(4,570)	(300)	—
Proceeds from the issuance of redeemable noncontrolling interest, net of financing fees paid	79,380	—	—
Dividends paid	(5,805)	(4,523)	(3,991)
Taxes paid for equity award issuances	(1,727)	(1,387)	(1,076)
Payments for financing arrangements and other	(1,378)	(679)	(932)
Net cash provided by financing activities	183,856	218,111	69,001
Net (decrease) increase in cash and cash equivalents	(92,983)	95,194	(40,283)
Cash and cash equivalents, beginning of period	139,255	44,061	84,344
<b>Cash and cash equivalents, end of period</b>	<b>\$ 46,272</b>	<b>\$ 139,255</b>	<b>\$ 44,061</b>
<b>Supplemental Disclosures of Cash Flow Information</b>			
Interest paid, net of amounts capitalized	\$ (12,075)	\$ (3,026)	\$ (580)

See accompanying notes to consolidated financial statements.

**SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1. Nature of Operations**

Shenandoah Telecommunications Company and its subsidiaries (collectively, “Shentel”, “we”, “our”, “us”, or the “Company”) provide broadband data, video and voice services to residential and commercial customers in portions of Virginia, West Virginia, Maryland, Pennsylvania, Kentucky, Delaware, Ohio and Indiana, via fiber optic and hybrid fiber coaxial cable networks. We also lease dark fiber and provide Ethernet and Wavelength fiber optic services to enterprise and wholesale customers throughout the entirety of our service area. Shentel’s Broadband business also provides voice and DSL telephone services as a Rural Local Exchange Carrier (“RLEC”) to customers in Shenandoah County and portions of adjacent counties in Virginia, and in Ross County and portions of adjacent counties in Ohio. These integrated networks are connected by a fiber network.

**Horizon Transaction**

On April 1, 2024 (the “Closing Date”), Shentel completed its previously announced acquisition of Horizon Acquisition Parent LLC, a Delaware limited liability company (“Horizon”), pursuant to the terms of an Agreement and Plan of Merger, dated October 24, 2023, by and among Shentel, Horizon, the sellers set forth on the signature pages thereto (each, a “Seller” and collectively, the “Sellers”) and the other parties thereto (as amended by the First Amendment to Agreement and Plan of Merger, dated April 1, 2024, the “Merger Agreement”). Subject to the terms and conditions of the Merger Agreement, on the Closing Date, Shentel acquired 100% of the outstanding equity interests of Horizon in exchange for (i) issuing 4,100,375 shares of Shentel’s common stock, no par value (“Common Stock”), to an investment fund managed by affiliates of GCM Grosvenor, which is one of the Sellers (the “Selling Shareholder”); and (ii) paying \$347 million which consisted of cash consideration to the other Sellers and certain third parties, including Horizon’s existing lenders to discharge debt, and payments for working capital adjustments and reimbursement of capital expenditures incurred by the Sellers, subject to post-closing adjustments. The Selling Shareholder agreed to an investor rights agreement with the Company, pursuant to which, as long as the Selling Shareholder beneficially owns at least 5.0% of Shentel’s outstanding Common Stock, the Selling Shareholder has the right to nominate a director to Shentel’s Board and is subject to certain standstill provisions and voting covenants. The Selling Shareholder is also subject to a one year lockup period for the shares of Common Stock received.

Horizon is a leading commercial fiber provider in Ohio and adjacent states serving national wireless providers, carriers, enterprises, and government, education and healthcare customers. The acquisition of Horizon will allow Shentel to advance its fiber expansion strategy by doubling the size of the Company’s commercial fiber business and adding new expansion markets for its Glo Fiber business.

Refer to Note 3, *Acquisition of Horizon*, for more information regarding the Horizon Transaction and its impact on the Company’s financial statements.

**Series A Preferred Stock**

Contemporaneously with the execution of the Merger Agreement, on October 24, 2023, Shentel and Shentel Broadband Holding Inc., a wholly-owned subsidiary of Shentel (“Shentel Broadband”), entered into an investment agreement (the “Investment Agreement”) with ECP Fiber Holdings, LP, a Delaware limited partnership (“ECP Investor”), and, solely for the limited purposes set forth therein, Hill City Holdings, LP, a Delaware limited partnership affiliated with ECP Investor. Subject to the terms and conditions set forth in the Investment Agreement, on the Closing Date, Shentel Broadband issued to ECP Investor 81,000 shares of Shentel Broadband’s 7% Series A Participating Exchangeable Perpetual Preferred Stock, par value \$0.01 per share (the “Series A Preferred Stock”), at a purchase price of \$1,000 per share in exchange for \$81 million in cash. The Series A Preferred Stock is exchangeable at the option of the Investor in certain circumstances for shares of Common Stock at an exchange price of \$24.50 per share (as it may be adjusted pursuant to the terms of the Investment Agreement, the “Exchange Price”).

As a condition to closing the transactions contemplated by the Investment Agreement and Amendment No. 3 to the Credit Agreement, Shentel completed a corporate reorganization of Shentel’s subsidiaries (the “Reorganization”). As a result of the Reorganization effected on the Closing Date, Shentel Broadband Operations LLC, a wholly-owned subsidiary of Shentel Broadband, holds or has equity interest in substantially all of the operating assets of Shentel and was assigned and assumed the Credit Agreement.

On the Closing Date, Shentel Broadband filed a certificate of designations with the Secretary of State of the State of Delaware authorizing 100,000 shares of Series A Preferred Stock and setting forth the powers, designations, preferences, rights, qualifications, limitations and restrictions of the Series A Preferred Stock (the “Certificate of Designations”). The Series A Preferred Stock ranks senior to Shentel’s Common Stock with respect to the payment of dividends and with respect to the distribution of assets upon Shentel Broadband’s liquidation, dissolution or winding up. Dividends on the Series A Preferred Stock accrue at 7% per annum compounded and payable quarterly in arrears and, at Shentel’s option, may be paid in cash or in kind (such dividends paid in kind, “PIK Dividends”). The PIK Dividend rate is subject to increase to 8.5% and 10% after the fifth and seventh anniversaries of the Closing Date, respectively, to the extent any dividends accrued during the period from and including such anniversary dates are paid in the form of PIK Dividends.

Beginning two years after the Closing Date, Shentel may require the Investor to exchange the Series A Preferred Stock for shares of Common Stock if the price per share of the Common Stock exceeds 125% of the Exchange Price, subject to certain conditions. After five years, Shentel may redeem all of the Series A Preferred Stock for the greater of (i) \$1,000 per share, plus (a) any accrued PIK Dividend amount and (b) accrued and unpaid dividends to, but excluding the redemption date (to the extent such accrued and unpaid dividends are not included in such PIK Dividend amount), and (ii) the value of the shares of Common Stock for which such Series A Preferred Stock are exchangeable.

Under the terms of the Investment Agreement, the Investor has the right to nominate a director to the Board so long as the Investor beneficially owns at least 7.5% of Shentel’s outstanding Common Stock (including on an as exchanged basis with respect to the Series A Preferred Stock).

So long as the Investor beneficially owns at least 7.5% of Shentel’s outstanding Common Stock (including on an as exchanged basis with respect to the Series A Preferred Stock), the Investor is subject to certain standstill provisions and voting covenants and has certain other rights with respect to the shares of Series A Preferred Stock, including, among others, pre-emptive, information and participation rights. The shares of Series A Preferred Stock are subject to a lock-up until the first anniversary of the Closing Date and are subject to certain other transfer restrictions.

Refer to Note 13, *Redeemable Noncontrolling Interest*, for more information regarding the Series A Preferred Stock and its impact on the Company’s financial statements.

#### ***Amendment No. 3 to Credit Agreement***

On April 1, 2024, Shentel entered into Amendment No. 3 to Credit Agreement, Incremental Term Loan Funding Agreement, Joinder and Assignment and Assumption (the “Third Amendment”) to its existing Credit Agreement, dated as of July 1, 2021, with various financial institutions party thereto (the “Lenders”) and CoBank, ACB, as administrative agents for the Lenders (as previously amended by Amendment No. 1 to Credit Agreement, dated as of May 17, 2023, and Consent and Amendment No. 2 to Credit Agreement, dated October 24, 2023, the “Credit Agreement”).

The Third Amendment provides for, among other things, incremental delay draw term loan commitments under the Credit Agreement in an aggregate amount equal to \$225 million and an increase in the revolving commitment under the Credit Agreement in an amount equal to \$50 million.

Refer to Note 10, *Debt*, for more information regarding the Credit Agreement.

#### ***Sale of Shentel’s Tower Portfolio***

On March 29, 2024, Shenandoah Mobile, LLC, a wholly-owned subsidiary of Shenandoah Telecommunications Company, completed the initial closing of its previously disclosed sale of substantially all of Shentel’s tower portfolio and operations (“Tower Portfolio”) to Vertical Bridge Holdco, LLC (Vertical Bridge) for \$309.9 million (the “Tower Transaction”). The Company received \$305.8 million, net of certain transaction costs at the time of the initial closing. At the initial close, the Company conveyed sites representing approximately 99.5% of the tower portfolio value. The Company expects to convey certain remaining tower sites to Vertical Bridge by the end of March 2025 that will represent 99.9% of the tower portfolio value. The Tower Transaction was completed pursuant to the terms of a Purchase and Sale Agreement, dated February 29, 2024, as amended by Amendment No. 1 to the Purchase and Sale Agreement, dated March 29, 2024.

The Tower Portfolio represented substantially all of the assets and operations in Shentel’s previously reported Tower Reporting Segment and the Tower Transaction represented a strategic shift in the Company’s business. Consequently, the Tower Portfolio has been reclassified as a discontinued operation. For all periods presented, the assets and liabilities that transferred in the Tower Transaction (the “disposal group”) are presented as held for sale in our consolidated balance sheets, and operating results

and cash flows related to the Tower Portfolio were reflected as a discontinued operations in our consolidated statements of operations and consolidated statements of cash flows.

Refer to Note 17, *Discontinued Operations*, for more information regarding the presentation of the disposal group in the Company's financial statements.

As a result of the sale of the Tower Portfolio, the Company has one reportable segment. Consequently, segment reporting previously disclosed is no longer applicable.

## **Note 2. Summary of Significant Accounting Policies**

**Principles of consolidation:** The accompanying consolidated financial statements include the accounts of Shenandoah Telecommunications Company and all of its wholly owned subsidiaries. All intercompany accounts and transactions for continuing operations have been eliminated in consolidation.

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States, requires us to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods could differ from our estimates.

**Revenue recognition:** The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("ASC 606").

The Company provides broadband data, video and voice services to residential, small and midsize businesses ("SMB") and commercial customers in portions of Virginia, West Virginia, Maryland, Pennsylvania, Kentucky, Delaware, Ohio and Indiana, via fiber optic and hybrid fiber coaxial cable networks. The Company also provides voice and DSL telephone services to customers in Virginia's Shenandoah County and portions of adjacent counties and Ohio's Ross County and portions of adjacent counties as a Rural Local Exchange Carrier ("RLEC").

Transaction price is measured as the amount billed, which is generally determined by list prices for goods and services less discounts offered. We allocate the total transaction price in these transactions based upon the standalone selling price of each distinct good or service. We generally recognize these revenues over time as customers simultaneously receive and consume the benefits of the service, with the exception of equipment sales and home wiring, which are recognized as revenue at a point in time when control transfers and when installation is complete, respectively. A significant portion of the Company's revenues are derived from customers who may cancel their subscriptions at any time without penalty. As such, the amount of deferred revenue related to unsatisfied performance obligations is not necessarily indicative of the future revenue to be recognized from the Company's existing customers. Installation fees charged upfront without transfer of commensurate goods or services to the customer are allocated to services and are recognized ratably over the longer of the contract term or the period in which the unrecognized fee remains material to the contract, which we estimate to be approximately one year. Additionally, the Company incurs commission expenses related to in-house sales team members and third-party vendors which are capitalized and amortized over the expected customer benefit period.

The Company also provides Ethernet and Wavelength fiber optic services to commercial fiber customers under capacity agreements, and the related revenue is recognized over time. In some cases, non-refundable upfront fees are charged for connecting commercial fiber customers to our fiber network. Those amounts are recognized ratably over the initial contract term.

The Company also leases dedicated fiber optic strands to customers as part of "dark fiber" agreements, which are accounted for as leases under ASC 842, *Leases* ("ASC 842").

**Advertising costs:** The Company expenses advertising costs and marketing production costs as incurred and includes such costs within selling, general and administrative expenses in the consolidated statements of operations. Advertising expense for the years ended December 31, 2024, 2023 and 2022 was \$15.0 million, \$11.4 million and \$6.8 million, respectively.

**Fair value measurements:** The Company measures certain assets and liabilities at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company uses the fair value hierarchy to evaluate inputs used in determining the fair value of its assets and liabilities. The three levels of inputs used to measure fair value are (i) observable inputs, such as quoted prices in active markets (level 1); (ii) inputs other than

quoted prices in active markets that are observable either directly or indirectly (level 2); and (iii) unobservable inputs that require the Company to use present value and other valuation techniques in the determination of fair value (level 3).

The Company remeasures long-lived assets such as property, plant and equipment, intangible assets and goodwill at fair value when they are deemed to be impaired. The fair value of these assets is determined with valuation techniques using the best information available and may include quoted market prices, market comparables or discounted cash flow models.

The carrying amounts reported in the Company’s consolidated financial statements for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate fair value because of the short-term nature of these financial instruments. The carrying amount of the Company’s long-term debt, which have a floating interest rate, approximates fair value. The Company’s interest rate swaps are marked to market on a quarterly basis and are presented on the consolidated balance sheets at fair value.

As described in more detail in Note 3, *Acquisition of Horizon*, Shentel determined the fair values of assets acquired and liabilities assumed as a result of the Horizon Acquisition as of the acquisition date.

**Cash and cash equivalents:** Cash equivalents include all investments with an original maturity of three months or less. The Company places its temporary cash investments with high credit quality financial institutions. Generally, such investments are in excess of FDIC or SIPC insurance limits.

**Allowance for credit losses:** Accounts receivable have been reduced by an allowance for amounts that may be uncollectible in the future. This estimated allowance is based primarily on the aging category, historical collection experience and management’s evaluation of the financial condition of the customer. The Company writes off accounts receivable balances deemed uncollectible against the allowance for credit losses generally when the account is turned over for collection to an outside collection agency.

Changes in the Company’s allowance for credit losses for accounts receivable for the years ended December 31, 2024, 2023 and 2022 are summarized below:

(in thousands)	<b>Balance at Beginning of Year</b>		<b>Recoveries added to allowance</b>		<b>Provision for Credit Losses</b>		<b>Write-offs</b>	<b>Balance at End of Year</b>	
<b>Year Ended December 31, 2024</b>									
Allowance for credit losses	\$	886	\$	599	\$	2,132	\$	(2,461)	\$ 1,156
<b>Year Ended December 31, 2023</b>									
Allowance for credit losses	\$	776	\$	424	\$	2,852	\$	(3,166)	\$ 886
<b>Year Ended December 31, 2022</b>									
Allowance for credit losses	\$	352	\$	414	\$	1,972	\$	(1,962)	\$ 776

**Investments:** The Company investments measured at fair value primarily consist of supplemental executive retirement plan (“SERP”) investments in a rabbi trust as a source of funding for future payments under the plan. The SERP’s investments were designated as trading securities and will be liquidated and paid out to the participants six months after retirement. The benefit obligation to participants is always equal to the value of the SERP assets under ASC 710, *Compensation*. Changes to the investments’ fair value are presented in Other income, net, while the reciprocal changes in the liability representative of compensatory expense, are presented in selling, general and administrative expense in the Company’s consolidated statements of operations.

The Company’s investments measured at cost primarily consist of CoBank’s Class A common stock derived from the CoBank patronage program. The investment is recognized as the Company’s initial investment in CoBank plus subsequent patronage distributions received from CoBank.

**Property, plant and equipment:** Property, plant and equipment is stated at cost less accumulated depreciation and amortization. The Company capitalizes all costs associated with the purchase, deployment and installation of property, plant and equipment, including interest costs and internal labor costs on major capital projects during the period of their construction. Maintenance expense is recognized as incurred when repairs are performed that do not extend the life of property, plant and equipment. Expenses for major renewals and improvements, which significantly extend the useful lives of existing property and equipment, are capitalized and depreciated. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Labor costs associated with customer installation activities at existing service locations are expensed as incurred under

industry specific guidance. Leasehold improvements are amortized over the lesser of their useful lives or respective lease terms. Land is not depreciated.

**Indefinite-lived intangible assets:** Goodwill represents the excess of acquisition costs over the fair value of tangible net assets and identifiable intangible assets of the businesses acquired.

Cable franchise rights represent the value attributed to our non-exclusive right to provide video services in a specified area. Spectrum licenses issued by the Federal Communications Commission (“FCC”) provide us with either an exclusive or priority access right to utilize designated radio frequency spectrum within specific geographic service areas to provide wireless communication services. While some cable franchises and spectrum licenses are issued for a fixed time period (generally ten years and up to fifteen years, respectively), renewals have been granted routinely and at a nominal cost. The Company believes it will be able to meet all requirements necessary to secure renewal of its cable franchise rights and spectrum licenses. Moreover, the Company has determined that there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful lives of our cable franchises or spectrum licenses and, as a result, we account for cable franchise rights and spectrum licenses as indefinite-lived intangible assets.

Indefinite-lived intangible assets are not amortized but rather, are subject to impairment testing annually, in the fourth quarter, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Goodwill is evaluated for impairment based on the identification of reporting units. Our reporting unit aligns with our one reportable segment.

We evaluated goodwill for impairment on October 1, 2024 using a quantitative assessment. This assessment estimated the fair values of our reporting unit primarily based on a discounted cash flow analysis that included market participant estimates of future cash flows expected to be generated by the business. We also considered the reconciliation of the Company’s market capitalization to the reporting unit value and consideration of an appropriate control premium. As a result of this assessment, management concluded that the estimated fair value of the reporting unit exceeded the carrying value by 11%. As such, no impairment charge was recognized during the period.

We evaluated cable franchise rights and spectrum licenses for impairment on October 1, 2024 primarily on the basis of qualitative factors to determine whether the existence of events or circumstances lead us to conclude that it is more likely than not that goodwill or our indefinite life intangibles has been impaired. Our consideration of qualitative factors included but was not limited to macroeconomic conditions, industry and market conditions, company specific events, changes in circumstances, after tax cash flows, and market capitalization trends. We concluded that there were no indicators that impairment of our reporting unit or indefinite-lived intangible assets was more likely than not.

**Long-lived assets:** Finite-lived intangible assets, property, plant, and equipment, and other long-lived assets held for use are amortized or depreciated over their estimated useful lives, as summarized in the respective notes below. These assets are evaluated for impairment based on the identification of asset groups. Our asset groups align with our reportable segments. We evaluated our asset groups for impairment during the fourth quarter of 2024 and concluded that there were no indicators that an asset group impairment was more likely than not.

**Asset retirement obligations:** Certain of the Company’s lease agreements contain provisions requiring the Company to restore facilities or remove property in the event that the lease agreement is not renewed. The Company records an estimate for the cost to comply with these provisions based on what a willing third party would charge for the retirement activity on the date of recognizing the asset retirement obligation. Upon retirement of the related asset and performance of the asset retirement activities, the Company derecognizes the asset retirement obligation and records a gain or loss to reflect the difference between the Company’s estimate and the actual cost to retire the asset. Current ARO liabilities are recorded in accrued liabilities and other in the Company’s consolidated balance sheets and noncurrent ARO liabilities are presented in the consolidated balance sheets as “other liabilities.”

**Benefit plan obligations:** The Benefit plan obligations caption includes the following:

(\$ in thousands)

	December 31, 2024	December 31, 2023
Supplemental executive retirement plans	\$ 2,812	\$ 2,290
Postretirement medical benefits plans	1,889	1,653
Pension plan obligation	244	—
Total	<u>\$ 4,945</u>	<u>\$ 3,943</u>

Prior to the acquisition of Horizon, Shentel maintained a supplemental executive retirement plan for certain employees (the “Shentel SERP”). The Shentel SERP is a benefit plan that provides deferred compensation to certain employees which holds investments in a rabbi trust as a source of funding for future payments under the plan. The Shentel SERP’s investments were designated as trading securities and will be liquidated and paid out to the participants upon retirement. The benefit obligation to participants is always equal to the value of the Shentel SERP assets under ASC 710, *Compensation*. Changes to the investments’ fair value are presented in Other income, net, while the reciprocal changes in the liability representative of compensatory expense, are presented in selling, general and administrative expense in the Company’s consolidated statements of operations.

Prior to December 31, 2023, Shentel maintained a frozen defined benefit plan. On October 13, 2021, Shentel’s Board of Directors adopted a resolution to terminate its pension plan. The Company terminated the pension plan and all benefits were distributed in June 2023 through the combination of lump sum payments and the purchase of non-participating annuity contracts at the option of the pension plan participants. The Company made an additional \$2.9 million contribution from its cash balance as a result of the settlement and recognized a settlement gain of \$0.7 million in other income (expense) for the year ended December 31, 2023.

During the year ended December 31, 2024, Shentel acquired four plans in conjunction with the acquisition of Horizon. These plans included one unfunded supplemental executive retirement plan, one frozen unfunded postretirement medical benefits plan and two frozen defined benefit plans.

Including the plan acquired from Horizon, both of Shentel’s postretirement medical benefits plans represent frozen, unfunded, defined benefit plans. The total postretirement plan liability was determined using discount rates of 5.5% and 4.9% as of December 31, 2024 and 2023, respectively.

The total fair value of pension plan assets was \$21.6 million as of December 31, 2024. These investments were held in mutual funds and were valued based on the net asset value per share. The pension plan projected benefit obligations was \$21.4 million as of December 31, 2024, determined using a discount rate of 5.0%.

**Leases:** The Company leases various telecommunications sites, warehouses, retail stores, and office facilities for use in our business. These agreements include fixed rental payments as well as variable rental payments such as those based on relevant inflation indices. The accounting lease term includes optional renewal periods that we are reasonably certain to exercise based on our assessment of relevant contractual and economic factors. The related lease payments are discounted at lease commencement using the Company’s incremental borrowing rate in order to measure the lease liability and right-of-use asset.

The incremental borrowing rate is determined using a portfolio approach based on the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The Company uses the observable unsecured borrowing rate and risk-adjusts that rate to approximate a collateralized rate.

**Income taxes:** The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

In assessing the ability to realize deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon generating future taxable income during the periods in which those temporary differences become deductible. The Company considers the scheduled reversal of deferred tax liabilities, projected future taxable income, taxable income in prior carryback years if available and tax planning strategies in making this assessment. Based upon the level of historical taxable income, projections for future taxable income over the periods for which the deferred tax assets are deductible, and the option to elect out of bonus depreciation on in-serviced fixed assets, the Company believes it more likely than not that the net deferred tax assets will be realized.

The Company recognizes a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The Company records a liability for the difference between the benefit recognized and measured for financial statement purposes and the tax position taken or expected to be taken on the tax return. Changes in the estimate are recorded in the period in which such determination is made.

**Stock-based compensation:** The cost of employee services received in exchange for share-based awards classified as equity is measured using the estimated fair value of the award on the date of the grant, and the related expense is recorded over the recipient's respective service period. The fair value for the Company's RSUs are determined using the Company's stock price and the fair value for the Company's RTSR awards are determined using a Monte Carlo simulation. The Company records forfeitures for its RSUs and RTSRs as they occur. Certain of the Company's share-based awards contain retirement clauses which state that awards will continue to vest without the requirement of continuous employment after a participant achieves certain service- and age-based requirements ("Retirement Eligibility"). The Company accelerates expense associated with eligible awards for employees who have achieved Retirement Eligibility on the later of the grant date or the date in which Retirement Eligibility is achieved.

**Government grants:** Shentel receives grants from the U.S. Government and its agencies, as well as various state governments under various programs designed to fund telecommunications operations and broadband infrastructure expansion into rural or underserved areas. The grant programs are evaluated to determine if they represent grants related to revenue or capital expenditures. Grants for revenue and operating activities are recorded as RLEC & Other revenue, which is a category within service revenue and other in the Company's consolidated statements of operations as the services are provided. Grants for capital expenditures are recorded as a reduction to the corresponding property, plant and equipment asset balance and are recognized through a reduction in depreciation expense over the life of the corresponding asset in the Company's consolidated statements of operations. Government grants related to revenue and operations are classified as operating cash inflows and grants for capital expenditures are classified as investing cash inflows.

The Company monitors government grants for requirements to ensure that conditions related to grants have been met and there is reasonable assurance that the Company will be able to retain the grant proceeds and to ensure that any contingencies that may arise from not meeting the conditions are appropriately recognized. See Note 15, *Government Grants* for additional information.

**Redeemable noncontrolling interest:** As discussed in Note 1, *Nature of Operations*, Shentel Broadband, a subsidiary of Shentel, issued 81,000 shares of Shentel Broadband's Series A Preferred Stock in exchange for \$81 million in cash. The Series A Preferred Stock has a par value of \$0.01 per share. As of December 31, 2024, 100,000 shares of the Series A Preferred Stock were authorized for issuance and 81,000 shares of the Series A Preferred Stock were outstanding.

Shentel has applied the guidance in ASC 480-10-S99-3A, "SEC Staff Announcement: Classification and Measurement of Redeemable Securities", and has therefore classified the Series A Preferred Stock outside of shareholders' equity on the Company's consolidated balance sheets because the shares contain liquidation features that are not solely within the Company's control. The Series A Preferred Stock was recorded at its fair value on the date of issuance, net of \$1.6 million of issuance costs. The Company does not adjust the carrying value of the Series A Preferred Stock to the liquidation preference of such shares because of the uncertainty of whether or when a liquidation event would occur. Subsequent adjustments to increase the carrying value to the liquidation preferences will be made only when it becomes probable that such a liquidation event will occur. Furthermore, the Company classifies the Series A Preferred Stock as redeemable noncontrolling interest due to the fact that the Series A Preferred Stock is issued by its subsidiary, Shentel Broadband. See Note 13, *Redeemable Noncontrolling Interest* for additional information.

**Accounting for acquisitions:** The Company accounts for acquisitions by using the acquisition method of accounting, in accordance with ASC 805, *Business Combinations*. Under the acquisition method of accounting, the total purchase price is allocated to the tangible and intangible assets acquired and liabilities assumed in connection with the acquisition based on their estimated fair values. Fair values are determined using the income approach, market approach and/or cost approach depending on the nature of the asset or liability being valued and the reliability of available information. The income approach estimates fair value by discounting associated lifetime expected future cash flows to their present value and relies on significant assumptions regarding future revenues, expenses, working capital levels and discount rates. The market approach estimates fair value by analyzing recent actual market transactions for similar assets or liabilities. The cost approach estimates fair value based on the expected cost to replace or reproduce the asset or liability and relies on assumptions regarding the occurrence and extent of any physical, functional and/or economic obsolescence.

**Segments:** Shentel's Chief Executive Officer represents the Company's chief operating decision maker ("CODM"). The CODM regularly reviews the Company's results to assess performance and allocates resources at a consolidated level. All of Shentel's services are delivered through an integrated network and have similar types or classes of customers. Furthermore, the decision to allocate resources and to upgrade the Company's service delivery over an integrated network is performed at the consolidated level. As such, management has identified one operating segment, Broadband, which is the Company's reportable segment under this organizational and reporting structure.

### ***New Accounting Standards***

In October 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-06, “*Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative*,” (“ASU 2023-06”) which aligns the disclosure and presentation requirements of a variety of the FASB’s ASC Topics with the requirements described in the SEC’s Disclosure Update and Simplification Initiative. ASU 2023-06 will become effective for each amendment on the effective date of the SEC’s corresponding disclosure rule changes; these dates are unknown as of this filing. The Company is currently assessing the impact of adopting ASU 2023-06 on the consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07, “*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*,” (“ASU 2023-07”). The amendments in ASU 2023-07 improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. These enhanced disclosures requirements also include, but are not limited to, the requirement to disclose other segment income and expense items, the title and the position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance. The Company has adopted this ASU and has included the required disclosures within these financial statements. See Note 18, *Segment Information* for additional information.

In December 2023, FASB issued ASU 2023-09 “*Income Taxes (Topic 740), Improvements to Income Tax Disclosures*” This accounting update requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. The updated disclosure requirements are to be adopted for annual periods beginning after December 15, 2024. Early Adoption is permitted. The Company is currently assessing the impact of adopting ASU 2023-07 on the consolidated financial statements and related disclosures. The Company does not anticipate adoption will have a material impact on the financial position, results of operations, cash flows or disclosures.

### **Note 3. Acquisition of Horizon**

As discussed in Note 1, *Nature of Operations*, Shentel acquired 100% of the outstanding equity interests of Horizon on April 1, 2024.

The total purchase price used to apply the acquisition method was \$416.2 million, which consisted of \$349.4 million of cash consideration paid and \$71.8 million of common stock, representing the fair value of 4,100,375 shares of Shentel’s common stock issued to a selling shareholder of Horizon. The fair value of Shentel’s common stock issued was determined on the basis of the opening market price of the common stock on the acquisition date. The purchase price is subject to adjustment for certain working capital adjustments and post-closing indemnities. The cash consideration paid was primarily financed with proceeds from the sale of Shentel’s Tower Portfolio and cash on-hand.

The allocation of the purchase price was based upon management’s preliminary valuation of the fair values of tangible and intangible assets acquired and liabilities assumed in the Horizon Transaction, with the excess recorded as goodwill.

<i>(in thousands)</i>	<b>Amount</b>
Current and other assets	\$ 11,795
Property, plant and equipment	380,101
Goodwill	63,811
Intangible assets	14,249
Operating lease right-of-use assets	7,792
Other long-term assets	1,843
Total assets acquired	479,591
Current liabilities	16,164
Deferred tax liabilities	25,427
Non-current operating lease liabilities	4,706
Government grant liabilities	7,122
Other long-term liabilities	9,978
Total liabilities assumed	63,397
Net assets acquired	\$ 416,194

The Company recorded certain measurement period adjustments to update management's initial estimate of acquired assets and assumed liabilities based on additional information, primarily related to acquired property, plant and equipment, acquired leases and certain liabilities assumed, resulting in a decrease to goodwill of \$10.8 million.

Current and other assets acquired include \$6.1 million of accounts receivable, net of allowance for credit losses of \$0.2 million. Intangible assets acquired primarily relate to customer relationships. Property, plant and equipment and customer relationships were primarily valued using the cost approach to determine the cost that would be incurred to replace these assets. Lease right-of-use assets were valued using an income approach to compare actual rental rates paid by the Company to current market rates to determine the degree to which the value of the right-of-use assets are above or below market value. Customer relationship assets acquired represent finite-lived intangibles which are being amortized over the assets' useful lives, which is estimated to be ten years.

The Company has included the results of the operations of Horizon for financial reporting purposes for the period subsequent to the date of acquisition.

In connection with the acquisition, Shentel incurred integration and acquisition-related costs of \$14.3 million and \$2.9 million related to banking, severance, information technology, representation and warranty insurance and other similar expenses for the years ended December 31, 2024 and 2023, respectively. Included in these costs were \$6.9 million of direct acquisition-related costs incurred by Shentel during the year ended December 31, 2024. These costs are recorded in restructuring, integration and acquisition expenses in the Company's consolidated statements of operations. No such costs were incurred during the year ended December 31, 2022.

Horizon's revenue of \$47.7 million and loss before income taxes of \$17.1 million for the period between April 1, 2024 and December 31, 2024 are included in Shentel's consolidated statements of operations for the year ended December 31, 2024. The unaudited pro forma results of the Company, as if the Horizon Transaction had occurred on January 1, 2023, were as follows:

<i>(in thousands)</i>	<b>2024</b>	<b>2023</b>
Operating revenues	\$ 343,928	\$ 334,727
Loss before income taxes	\$ (42,964)	\$ (16,279)

The pro forma disclosures shown above are based upon estimated preliminary valuations of the assets acquired and liabilities assumed as well as preliminary estimates of depreciation and amortization charges thereon, that may differ from the final fair

values of the acquired assets and assumed liabilities and the resulting depreciation and amortization charges thereon. Other pro forma adjustments include the following:

- historical depreciation expense was adjusted for the fair value adjustment increasing the basis of property, plant and equipment and shorter estimated useful lives to conform to the Company's standard policy and the acceleration of depreciation on certain equipment;
- incremental amortization due to the customer-based contract rights associated with acquired customers; and
- removal of Horizon's interest expense and amortization of deferred financing fees due to the repayment of the outstanding principal of Horizon's debt.

#### Note 4. Revenue from Contracts with Customers

The Company's revenues by activity type were as follows:

<i>(in thousands)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Residential & SMB - Incumbent Broadband Markets <sup>1</sup>	\$ 177,485	\$ 176,879	\$ 175,681
Residential & SMB - Glo Fiber Expansion Markets <sup>2</sup>	57,907	35,103	18,293
Commercial Fiber	67,011	42,132	38,821
RLEC & Other	25,655	15,017	16,116
Service revenue and other	<u>\$ 328,058</u>	<u>\$ 269,131</u>	<u>\$ 248,911</u>

1. Incumbent Broadband Markets consists of Shentel Incumbent Cable Markets and Horizon Incumbent Telephone Markets with Fiber-To-The-Home ("FTTH") passings.
2. Glo Fiber Expansion Markets consists of FTTH passings in greenfield expansion markets in the Shentel and former Horizon markets.

Shentel updated the description for revenues previously reported as "Residential & SMB - Cable Markets" to "Residential & SMB - Incumbent Broadband Markets" and updated the description for revenues previously reported as "Residential & SMB - Glo Fiber Markets" to "Residential & SMB - Glo Fiber Expansion Markets."

<i>(in thousands)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers (ASC 606)	\$ 322,220	\$ 266,490	\$ 246,783
Income from leasing arrangements (ASC 842)	5,838	2,641	2,128
Service revenue and other	<u>\$ 328,058</u>	<u>\$ 269,131</u>	<u>\$ 248,911</u>

Income from leasing arrangements primarily relates to Shentel's commercial fiber business. Refer to Note 9, *Leases* for more information.

Shentel had \$27.4 million and \$17.6 million of gross trade receivables from customers as of December 31, 2024 and 2023, respectively.

**Contract Assets**

The Company's contract assets primarily include commissions incurred to acquire contracts with customers. The Company incurs commission expenses related to in-house sales team members and third-party vendors which are capitalized and amortized over the expected customer benefit period which is approximately six years. The Company's current contract assets are included in prepaid expenses and other and the Company's non-current contract assets are included in deferred charges and other assets in its consolidated balance sheets. Amortization of capitalized commission expenses is recorded in selling, general and administrative expenses in the Company's consolidated statements of operations.

The following tables present the activity of current and non-current contract assets:

<i>(in thousands)</i>	<b>2024</b>	<b>2023</b>
Beginning Balance	\$ 8,633	\$ 8,646
Commission payments	4,857	3,138
Contract asset amortization	(3,239)	(3,151)
Ending Balance	\$ 10,251	\$ 8,633

**Contract Liabilities**

The Company's contract liabilities include services that are billed in advance and recorded as deferred revenue, as well as installation fees that are charged upfront without transfer of commensurate goods or services to the customer. The Company's current contract liabilities are included in advanced billings and customer deposits in its consolidated balance sheets and the Company's non-current contract liabilities are included in other liabilities in its consolidated balance sheets. Shentel's current contract liability balances were \$12.5 million and \$10.0 million as of December 31, 2024 and 2023, respectively. Shentel's non-current contract liability balances were \$9.5 million and \$1.0 million as of December 31, 2024 and 2023, respectively. Shentel expects its current contract liability balances to be recognized as revenues during the twelve-month periods following the respective balance sheet dates and its non-current contract liability balances to be recognized as revenues after the twelve-month periods following the respective balance sheet dates.

No customer accounted for more than 10% of revenue for the years ended December 31, 2024, 2023, and 2022 and no customer made up more than 10% of accounts receivable at December 31, 2024 and 2023.

**Note 5. Investments**

Investments consisted of the following:

<i>(in thousands)</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
SERP investments at fair value	\$ 2,670	\$ 2,290
Cost method investments	12,813	10,675
Equity method investments	226	233
Total investments	\$ 15,709	\$ 13,198

*SERP investments at fair value:* The fair value of the SERP investments are based on unadjusted quoted prices in active markets and are classified as Level 1 of the fair value hierarchy.

*Cost method investments:* Shentel's investment in CoBank's Class A common stock, derived from the CoBank patronage program, represented substantially all of the Company's cost method investments with a balance of \$12.1 million and \$10.1 million at December 31, 2024 and 2023, respectively. Shentel recognized approximately \$1.7 million, \$0.5 million and \$0.1 million of patronage income in other income (expense) in 2024, 2023 and 2022, respectively. The Company expects that approximately 75% of the patronage distributions will be collected in cash and 25% in equity, to be paid and distributed in 2025.

**Note 6. Property, Plant and Equipment**

Property, plant and equipment consisted of the following:

<i>(\$ in thousands)</i>	<u>Estimated Useful Lives</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Land		\$ 4,514	\$ 3,671
Land improvements	10 years	3,717	4,448
Buildings and structures	10 - 45 years	52,706	42,871
Cable and fiber	12 - 30 years	1,294,689	799,612
Equipment and software	4 - 12 years	417,057	331,595
Plant in service		<u>1,772,683</u>	<u>1,182,197</u>
Plant under construction		<u>207,428</u>	<u>145,623</u>
Total property, plant and equipment		1,980,111	1,327,820
Less: accumulated depreciation and amortization		<u>(541,573)</u>	<u>(477,483)</u>
Property, plant and equipment, net		<u>\$ 1,438,538</u>	<u>\$ 850,337</u>

Property, plant and equipment, net increased due primarily to capital expenditures driven by the Company's assets acquired as a result of the Horizon Transaction and Glo Fiber market expansion. The Company's accounts payable as of December 31, 2024 and 2023 included amounts associated with capital expenditures of approximately \$55.1 million and \$51.1 million, respectively. Depreciation and amortization expense was \$96.9 million, \$62.9 million, and \$65.8 million for the years ended December 31, 2024, 2023, and 2022, respectively. The Company disposed of fully depreciated property, plant and equipment assets, which reduced plant in service by approximately \$34.2 million and \$26.0 million, with a corresponding offset to accumulated depreciation and amortization, during the years ended December 31, 2024 and 2023, respectively.

In the fourth quarter of 2021, the Company ceased expansion of its Beam branded fixed wireless edge-out strategy, resulting in a phase out of operations and related assets through 2023. Consequently, Shentel recorded impairments of its Beam property, plant and equipment balances totaling \$1.5 million and \$4.1 million during the years ended December 31, 2023 and 2022, respectively. Shentel also recorded \$7.4 million in accelerated depreciation related to these assets during the year ended December 31, 2022.

**Note 7. Goodwill and Intangible Assets**

Goodwill and intangible assets consisted of the following:

<i>(in thousands)</i>	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization and Other</u>	<u>Net</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization and Other</u>	<u>Net</u>
Goodwill	\$ 67,055	\$ —	\$ 67,055	\$ 3,244	\$ —	\$ 3,244
Indefinite-lived intangibles:						
Cable franchise rights	\$ 64,334	\$ —	\$ 64,334	\$ 64,334	\$ —	\$ 64,334
FCC spectrum licenses	12,122	—	12,122	12,122	—	12,122
Railroad crossing rights and other	526	—	526	217	—	217
Total indefinite-lived intangibles	<u>76,982</u>	<u>—</u>	<u>76,982</u>	<u>76,673</u>	<u>—</u>	<u>76,673</u>
Finite-lived intangibles:						
Subscriber relationships	42,447	(28,882)	13,565	28,425	(27,370)	1,055
Other intangibles	510	(389)	121	510	(359)	151
Total finite-lived intangibles	<u>42,957</u>	<u>(29,271)</u>	<u>13,686</u>	<u>28,935</u>	<u>(27,729)</u>	<u>1,206</u>
Total goodwill and intangible assets	<u>\$ 186,994</u>	<u>\$ (29,271)</u>	<u>\$ 157,723</u>	<u>\$ 108,852</u>	<u>\$ (27,729)</u>	<u>\$ 81,123</u>

Shentel recognized \$63.8 million of goodwill, \$14.0 million of subscriber relationships and \$0.2 million of other intangible assets as a result of the purchase price allocation related to the Horizon Transaction. The goodwill recognized primarily consists of synergies expected from combining the operations of Horizon and Shentel and intangible assets acquired that do not qualify for separate recognition, including an assembled workforce. None of the goodwill recognized is expected to be deductible for income tax purposes.

Amortization expense was \$1.5 million, \$0.5 million and \$0.7 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Our finite-lived intangible assets are amortized over the following estimated useful lives:

	<u>Estimated Useful Life</u>
Subscriber relationships	3 - 10 years
Other intangibles	15 - 20 years

The following table summarizes expected amortization of intangible assets at December 31, 2024:

<i>(in thousands)</i>	<u>Amortization of Intangible Assets</u>	
2025	\$	1,888
2026		1,507
2027		1,469
2028		1,421
2029		1,420
2030 and thereafter		5,981
Total	<u>\$</u>	<u>13,686</u>

**Note 8. Other Assets and Accrued Liabilities**

Prepaid expenses and other, classified as current assets, included the following:

<i>(in thousands)</i>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Prepaid maintenance expenses	\$ 7,437	\$ 5,157
Broadband contract acquisition costs	3,165	2,675
Interest rate swaps	1,766	1,443
Other	4,914	2,507
Prepaid expenses and other	<u>\$ 17,282</u>	<u>\$ 11,782</u>

Deferred charges and other assets, classified as long-term assets, included the following:

<i>(in thousands)</i>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Broadband contract acquisition costs	\$ 7,086	\$ 5,958
Interest rate swaps	721	798
Prepaid expenses and other	6,428	4,805
Deferred charges and other assets	<u>\$ 14,235</u>	<u>\$ 11,561</u>

Accrued liabilities and other, classified as current liabilities, included the following:

<i>(in thousands)</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Accrued programming costs	\$ 4,227	\$ 3,209
Other current liabilities	7,873	4,538
Accrued liabilities and other	<u>\$ 12,100</u>	<u>\$ 7,747</u>

Other liabilities, classified as long-term liabilities, included the following:

<i>(in thousands)</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Noncurrent portion of deferred revenue	\$ 26,809	\$ 14,670
Noncurrent portion of finance leases	1,567	1,395
Other	5,149	847
Other liabilities	<u>\$ 33,525</u>	<u>\$ 16,912</u>

**Implementation Activities**

During 2024, as a result of the Horizon Transaction, we implemented an integration plan in which certain employees were notified their positions were being eliminated. Shentel incurred \$2.9 million in severance expense, included in restructuring, integration and acquisition expense in the consolidated statements of operations, and made \$2.1 million in severance payments for the year ended December 31, 2024.

**Note 9. Leases**

The Company leases various broadband network and telecommunications sites, fiber optic cable routes, warehouses, retail stores and office facilities for use in our business.

The components of lease costs were as follows:

<i>(in thousands)</i>	<b>Classification</b>	<b>Years Ended December 31,</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
Finance lease cost				
Amortization of leased assets	Depreciation	\$ 665	\$ 477	\$ 477
Interest on lease liabilities	Interest expense	95	78	83
Operating lease cost	Operating expense <sup>1</sup>	4,316	3,054	3,302
Lease cost		<u>\$ 5,076</u>	<u>\$ 3,609</u>	<u>\$ 3,862</u>

(1) Operating lease expense is presented in cost of service or selling, general and administrative expense based on the use of the relevant facility.

The following table summarizes the expected maturity of lease liabilities at December 31, 2024:

<i>(in thousands)</i>	<b>Operating Leases</b>	<b>Finance Leases</b>	<b>Total</b>
2025	\$ 3,810	\$ 416	\$ 4,226
2026	2,884	400	3,284
2027	1,991	203	2,194
2028	1,677	158	1,835
2029	1,327	160	1,487
2030 and thereafter	7,054	1,041	8,095
Total lease payments	18,743	2,378	21,121
Less: interest	(4,889)	(484)	(5,373)
Present value of lease liabilities	<u>\$ 13,854</u>	<u>\$ 1,894</u>	<u>\$ 15,748</u>

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Operating leases		
Weighted average remaining lease term (years)	8.5	7.1
Weighted average discount rate	6.1 %	5.0 %
Finance leases		
Weighted average remaining lease term (years)	9.0	12.3
Weighted average discount rate	5.3 %	5.2 %

<i>(in thousands)</i>	<b>Years Ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Cash paid for operating lease liabilities	\$ 4,480	\$ 3,218	\$ 3,042
Operating lease right-of-use assets obtained in exchange for new lease liabilities (includes new leases or modifications of existing leases)	\$ 2,250	\$ 1,968	\$ 1,351

The Company recognized \$5.8 million, \$2.6 million and \$2.1 million of operating lease revenue for the years ended December 31, 2024, 2023 and 2022, respectively, related to the dedicated fiber optic strands that we lease to our customers, which is included in service revenue and other in the consolidated statements of operations. Substantially all of our lease revenue relates to fixed lease payments.

Below is a summary of our contractual minimum rental receipts expected under the lease agreements in place at December 31, 2024:

<i>(in thousands)</i>	<b>Operating Leases</b>
2025	\$ 4,486
2026	3,833
2027	3,395
2028	3,180
2029	2,880
2030 and thereafter	17,288
Total	<u>\$ 35,061</u>

**Note 10. Debt**

Shentel Broadband Operations LLC, an indirect wholly owned subsidiary of Shentel, has a credit agreement which contains (i) a \$150 million revolving credit facility (the “Revolver”) and \$525 million in delayed draw amortizing term loans (the “Term Loans” and collectively with Revolver, the “Credit Agreement”). As of December 31, 2024, the availability under our Revolver and the Term Loans was \$243.0 million. The following loans were outstanding under the Credit Agreement:

<i>(in thousands)</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Term loan A-1	\$ 144,451	\$ 150,000
Term loan A-2	148,506	150,000
Term loan A-3	125,000	—
Total debt	417,957	300,000
Less: unamortized loan fees	(1,078)	(101)
Total debt, net of unamortized loan fees	<u>\$ 416,879</u>	<u>\$ 299,899</u>

The Term Loans bear interest at one-month term SOFR plus a margin. The margin is variable and determined by the Company’s net leverage ratio. Interest is paid monthly. The weighted-average interest rate was 6.42% for the Term Loans at December 31, 2024.

Shentel is charged commitment fees on unutilized portions of its Revolver and Term Loans. The Company recorded \$0.9 million, \$0.5 million and \$0.7 million related to these fees for the years ended December 31, 2024, 2023 and 2022, respectively, which are included in interest expense in the consolidated statements of operations.

Interest expense recorded in Shentel’s consolidated statements of operations consisted of the following for the years ended:

<i>(in thousands)</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Interest expense	\$ 24,415	\$ 9,633	\$ 2,241
Less: capitalized interest	(8,518)	(5,421)	(664)
Interest expense, net of capitalized interest	<u>\$ 15,897</u>	<u>\$ 4,212</u>	<u>\$ 1,577</u>

The Credit Agreement includes various covenants, including total net leverage ratio and debt service coverage ratio financial covenants.

Shentel’s Term Loans require quarterly payments based on a percentage of the outstanding balance. Term Loan A-1 matures on July 1, 2026 and both Term Loan A-2 and Term Loan A-3 mature on July 1, 2028.

The following table summarizes the expected payments of Shentel’s outstanding borrowings as of December 31, 2024:

<i>(in thousands)</i>	<b>Amount</b>
2025	\$ 9,504
2026	140,063
2027	6,294
2028	262,096
Total	<u>\$ 417,957</u>

Shentel has not made any borrowings under its Revolver as of December 31, 2024. In the event borrowings are made in the future, the entire outstanding principal amount borrowed is due June 30, 2026.

Although no borrowings have been executed under the Revolver, Shentel has executed letter of credit arrangements totaling \$7.0 million that reduce the available balance of the Revolver. The letter of credit arrangements were executed primarily pursuant to the requirements of the National Telecommunications and Information government grant program, discussed further

in Note 15, *Government Grants*. These amounts are not considered borrowed, as no cash has been disbursed to Shentel or other parties.

The Credit Agreement is fully secured by a pledge and unconditional guarantee from the Company and all of its subsidiaries, except Shenandoah Telephone Company. This provides the lenders a security interest in substantially all of the assets of the Company.

**Note 11. Derivatives and Hedging**

During the second quarter of 2023, Shentel entered into pay fixed (2.90%), receive variable (one-month term SOFR) interest rate swaps totaling \$150.0 million of notional principal (the “Swaps”). The Swaps contain monthly payment terms that became effective in May 2024, which extend through their maturity dates in June 2026. The Swaps are designated as cash flow hedges, representing 50% of the Company’s outstanding debt under Term Loan A-1 and Term Loan A-2. The Company uses the Swaps to manage its exposure to interest rate risk for its long-term variable-rate Term Loans.

The Swaps were determined to be highly effective hedges and therefore all change in the fair value of the Swaps was recognized in accumulated other comprehensive income.

The table below presents the fair value of the Swaps as well as their classification in the consolidated balance sheets. The fair value of these instruments was estimated using an income approach and observable market inputs (Level 2):

<i>(in thousands)</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Balance sheet line items containing derivative financial instruments:		
Prepaid expenses and other	\$ 1,766	\$ 1,443
Deferred charges and other assets	721	798
Total fair value of derivatives designated as hedging instruments	\$ 2,487	\$ 2,241

The table below summarizes changes in accumulated other comprehensive income by component:

<i>(in thousands)</i>	<b>Gain on Swaps</b>	<b>Income tax expense</b>	<b>Accumulated Other Comprehensive Income, net of taxes</b>
Balance as of December 31, 2023	\$ 2,241	\$ (573)	\$ 1,668
Net change in unrealized gain	2,420	(570)	1,850
Amounts reclassified to interest expense	(2,174)	509	(1,665)
Net current period other comprehensive income (loss)	246	(61)	185
Balance as of December 31, 2024	\$ 2,487	\$ (634)	\$ 1,853

<i>(in thousands)</i>	<b>Gain on Swaps</b>	<b>Income tax expense</b>	<b>Accumulated Other Comprehensive Income, net of taxes</b>
Balance as of December 31, 2022	\$ —	\$ —	\$ —
Net change in unrealized gain	2,241	(573)	1,668
Balance as of December 31, 2023	\$ 2,241	\$ (573)	\$ 1,668

**Note 12. Income Taxes**

The Company files a consolidated U.S. federal income tax return and various state income tax returns. The provision for the federal and state income taxes attributable to (loss) income from continuing operations consisted of the following components:

<i>(in thousands)</i>	Years Ended December 31,		
	2024	2023	2022
Current expense (benefit)			
Federal taxes	\$ —	\$ (2,707)	\$ (1,406)
State taxes	89	(680)	(363)
Total current provision	89	(3,387)	(1,769)
Deferred (benefit) expense			
Federal taxes	(5,238)	4,564	(1,062)
State taxes	(4,521)	(676)	(569)
Total deferred (benefit) expense	(9,759)	3,888	(1,631)
Income tax (benefit) expense	\$ (9,670)	\$ 501	\$ (3,400)
Effective tax rate	25.4 %	33.0 %	18.1 %

A reconciliation of income tax (benefit) expense determined by applying the federal and state tax rates to (loss) income from continuing operations before income taxes is as follows:

<i>(in thousands)</i>	Years Ended December 31,		
	2024	2023	2022
Expected tax (benefit) expense at federal statutory	\$ (7,986)	\$ 319	\$ (3,952)
State income tax (benefit) expense, net of federal tax effect	(3,159)	268	(802)
Revaluation of deferred tax liabilities	—	(1,373)	—
Excess tax deficiency from share-based compensation and other expense, net	1,475	764	735
Valuation allowance	—	523	619
Income tax (benefit) expense	\$ (9,670)	\$ 501	\$ (3,400)

The change in effective tax rate between 2024 and 2023 was primarily a result of a valuation allowance in 2023.

The Company received \$1.3 million and \$25.6 million in cash refunds for income taxes for the years ended December 31, 2024 and 2023, respectively. The Company received no cash refunds for the year ended December 31, 2022. The Company's paid \$8.4 million, \$0.1 million, and \$0.1 million in income taxes for the years ended December 31, 2024, 2023 and 2022, respectively.

Deferred tax assets and liabilities are measured using enacted tax rates that are expected to apply in the year of reversal or settlement and arise from temporary differences between the US GAAP and tax bases of the following assets and liabilities:

<i>(in thousands)</i>	December 31, 2024	December 31, 2023
Deferred tax assets:		
Net operating loss carryforwards	\$ 64,599	\$ 59,814
Business interest limitation carryforwards	11,669	2,290
Accruals and stock-based compensation	5,274	4,075
Leases	4,399	14,208
Other	12,020	8,995
Total gross deferred tax assets	97,961	89,382
Less valuation allowance	—	(523)
Net deferred tax assets	97,961	88,859
Deferred tax liabilities:		
Property, plant and equipment	239,180	146,302
Intangible assets	17,866	13,837
Leases	5,356	13,616
Prepaid assets and other	3,275	3,251
Total gross deferred tax liabilities	265,677	177,006
Net deferred tax liabilities	\$ 167,716	\$ 88,147

The Company has a deferred tax asset of \$64.6 million related to federal and various state net operating losses. As of December 31, 2024, the Company had approximately \$295.6 million of federal net operating losses, including approximately \$284.3 million of federal net operating losses generated after 2017. Federal net operating losses generated prior to 2018 expire through 2034. The Horizon federal net operating losses are subject to limitations under Section 382 of the Code. The Company also had approximately \$51.6 million of state net operating losses, most of which can be carried forward indefinitely. The Company's income tax expense (benefit) for the years ended December 31, 2023 and 2022 included tax expense of \$0.5 million and \$0.6 million, respectively, for the valuation allowance on deferred tax assets related to federal net operating losses expected to expire unused. The Company recorded no valuation allowances for the year ended December 31, 2024.

As of December 31, 2024 and 2023, the Company had no unrecognized tax benefits.

The Company's returns are generally open to examination from 2021 forward. The net operating losses acquired from nTelos are open to examination from 2005 forward and the net operating losses acquired from Horizon are open to examination from 2013 forward. The Company is currently involved in one state income tax audit and no federal income tax audits as of December 31, 2024.

**Note 13. Redeemable Noncontrolling Interest**

As discussed in Note 1, *Nature of Operations*, the Company must pay either a cash or PIK Dividend related to the Series A Preferred Stock on a quarterly basis. The Company paid two PIK Dividends during the year ended December 31, 2024, resulting in a \$3.1 million increase in the liquidation preference of the Series A Preferred Stock resulting in a liquidation preference of \$84.1 million as of December 31, 2024.

The Series A Preferred Stock also participates in dividends paid to common shareholders on an "as-converted" basis. As such, the Company paid \$0.3 million in participating dividends to the Series A Preferred Stock shareholder during the year ended December 31, 2024.

As described in Note 1, *Nature of Operations*, the Series A Preferred Stock is exchangeable at the option of the Investor or Shentel in certain circumstances for shares of Common Stock at an exchange price of \$24.50 per share. As of December 31, 2024, the Series A Preferred Stock was exchangeable for 3,432,006 shares of Common Stock.

**Note 14. Stock Compensation and Earnings per Share**

The Company's 2014 Equity Incentive Plan (the "2014 Plan") allowed for the grant of equity based incentive compensation to all employees. The 2014 Plan authorized grants of up to an additional 4,200,000 shares over a ten-year period beginning in 2014. The 2014 Plan expired on February 18, 2024 and the Company's Board of Directors approved the resolution to adopt the 2024 Equity Incentive Plan (the "2024 Plan") on February 13, 2024, to be effective on March 1, 2024. The 2024 Plan was approved by the Company's shareholders at the 2024 Annual Shareholder Meeting. The 2024 Plan authorizes grants of up to an additional 3,000,000 shares over a ten-year period. Under the 2014 Plan and the 2024 Plan, grants may take the form of stock awards, awards of options to acquire stock, stock appreciation rights and other forms of equity based compensation. As of December 31, 2024, the only forms of stock awards outstanding are restricted stock units ("RSUs") and Relative Total Shareholder Return RSUs ("RTSRs") and there were 2,917,122 shares available for future issuance under the 2024 Plan.

The Company's RSUs generally have service conditions only or performance and service conditions with vesting periods ranging from one year for directors to five years for employees. RSUs that have both performance and service conditions are referred to as performance stock units ("PSUs"). The actual number of shares to be issued upon PSU performance measurement can range from 0% to 100% of the awards granted.

RTSRs vest approximately three years from the grant date. The performance condition applied to the RTSR awards is based upon the Company's stock performance compared to a group of peer companies. The actual number of shares to be issued upon RTSRs performance measurement can range from 0% to 150% of the awards granted.

Activity related to the Company's equity compensation, which includes the Company's RSUs and PSUs, was as follows:

*(in thousands, except weighted average grant price)*

	<b>Number of Shares</b>	<b>Weighted Average Grant Price</b>
Outstanding awards, December 31, 2021	337	\$ 28.46
Granted	518	\$ 21.56
Vested	(153)	\$ 27.50
Forfeited	(53)	\$ 25.89
Outstanding awards, December 31, 2022	649	\$ 23.39
Granted	385	\$ 19.05
Vested	(200)	\$ 25.01
Forfeited	(9)	\$ 21.67
Outstanding awards, December 31, 2023	825	\$ 21.16
Granted	403	\$ 20.22
Vested	(308)	\$ 21.74
Forfeited	(45)	\$ 19.44
Outstanding awards, December 31, 2024	875	\$ 20.63

The total fair value of RSUs vested was \$5.8 million during the year ended December 31, 2024.

Activity related to the Company's RTSRs was as follows:

*(in thousands, except weighted average grant price)*

	Number of Shares	Weighted Average Grant Price
Outstanding awards, December 31, 2021	154	\$ 34.69
Granted	100	\$ 23.83
Vested	(46)	\$ 33.83
Forfeited	(6)	\$ 36.28
Outstanding awards, December 31, 2022	202	\$ 29.46
Granted	134	\$ 23.64
Vested	(30)	\$ 36.27
Forfeited	(13)	\$ 36.27
Outstanding awards, December 31, 2023	293	\$ 25.80
Granted	136	\$ 22.30
Vested	(32)	\$ 34.05
Forfeited	(138)	\$ 25.74
Outstanding awards, December 31, 2024	259	\$ 22.96

The total fair value of RTSRs vested was \$0.5 million during the year ended December 31, 2024.

Stock-based compensation expense was as follows:

<i>(in thousands)</i>	Years Ended December 31,		
	2024	2023	2022
Stock compensation expense	\$ 10,651	\$ 10,823	\$ 9,142
Capitalized stock compensation	(814)	(790)	(614)
Stock compensation expense, net	\$ 9,837	\$ 10,033	\$ 8,528

As of December 31, 2024, there was \$7.3 million of total unrecognized compensation cost related to non-vested incentive awards which is expected to be recognized over weighted average period of 2.1 years.

The following table indicates the computation of basic and diluted earnings (loss) per share:

(in thousands, except per share amounts)

	Years Ended December 31,		
	2024	2023	2022
Calculation of net income (loss) per share:			
(Loss) income from continuing operations	\$ (28,357)	\$ 1,016	\$ (15,418)
Income from discontinued operations, net of tax	222,174	7,022	7,039
Net income (loss)	\$ 193,817	\$ 8,038	\$ (8,379)
Amounts attributable to common shareholders			
(Loss) income from continuing operations	\$ (31,786)	\$ 1,016	\$ (15,418)
Income from discontinued operations, net of tax	222,174	7,022	7,039
Net income (loss) attributable to common shareholders	\$ 190,388	\$ 8,038	\$ (8,379)
Basic weighted average shares outstanding	53,722	50,396	50,155
Per share amounts attributable to common shareholders			
Basic net (loss) income per share - continuing operations	\$ (0.59)	\$ 0.02	\$ (0.31)
Basic net income per share - discontinued operations	4.13	0.14	0.14
Basic net income (loss) per share	\$ 3.54	\$ 0.16	\$ (0.17)
Effect of stock-based compensation awards outstanding:			
Basic weighted average shares outstanding	53,722	50,396	50,155
Effect from dilutive shares and options outstanding	—	319	—
Diluted weighted average shares outstanding	53,722	50,715	50,155
Diluted net (loss) income per share - continuing operations	\$ (0.59)	\$ 0.02	\$ (0.31)
Diluted net income per share - discontinued operations	4.13	0.14	0.14
Diluted net income (loss) per share	\$ 3.54	\$ 0.16	\$ (0.17)

The Company applies the two-class method when computing net income (loss) per share attributable to common shareholders as the Company has issued preferred stock that meets the definition of a participating security. The Company considers Series A Preferred Stock to be a participating security as the holders are entitled to receive cumulative dividends.

The Company determines the dilutive impact of equity awards and the Series A Preferred Stock (on an as-converted basis) by applying the treasury stock method and the if-converted method, respectively. There were approximately 325,000 and 365,000 potentially dilutive equity awards for the years ended December 31, 2024 and 2022, respectively; however, these shares were excluded from the calculation of diluted weighted average shares outstanding due to the fact that they were anti-dilutive as a result of the Company's loss from continuing operations for the periods. There were also approximately 3,432,000 potentially dilutive shares related to the Series A Preferred Stock (on an as-converted basis) for the year ended December 31, 2024; however, these shares were excluded from the calculation of diluted weighted average shares outstanding due to the fact that they were anti-dilutive as a result of the Company's loss from continuing operations for the periods. There were approximately 117,000 anti-dilutive awards outstanding for the years ended December 31, 2023.

**Note 15. Government Grants**

Beginning in 2021, Shentel commenced negotiations with various governmental entities to receive awards under broadband infrastructure grant programs to strategically expand the Company's broadband network in order to provide broadband services to unserved residences in the partnering counties in Virginia, Maryland, West Virginia and Ohio.

To receive such grant distributions, the Company entered into agreements with each partnering county in Virginia, Maryland, West Virginia and Ohio. These agreements outline certain build-out milestones. The network is required to meet certain performance conditions to ensure that minimum download and upload speeds are able to be provided to the unserved residences.

Shentel has been granted approximately \$149.8 million in commitments under these grant programs. As of December 31, 2024, Shentel has \$110.6 million of remaining available grant funding.

As discussed in Note 2, *Summary of Significant Accounting Policies*, government assistance that is used to fund capital expenditures is recorded as a reduction to property, plant and equipment. Given the primary purpose of the programs listed above is to fund build-out of the Company's broadband network, amounts recognized under these programs are recorded as a reduction to the related property, plant and equipment and cash receipts are presented as cash flows from investing activities in the Company's consolidated statements of cash flows. The Company recognizes grant receivables at the time it becomes probable that the Company will be eligible to receive the grant, which is estimated to correspond with the date when specified build-out milestones are achieved. As a result of these programs, the Company received \$19.2 million and \$1.9 million in cash reimbursements during the year ended December 31, 2024 and 2023, respectively, and had recorded approximately \$0.3 million and \$1.9 million in accounts receivable as of December 31, 2024 and 2023, respectively. The Company did not recognize any amounts under these programs during the year ended December 31, 2022.

Prior to the Horizon Transaction, Horizon entered into agreements with the Department of Development in Ohio under the state's Ohio Residential Broadband Expansion program. As part of these agreements, Horizon committed to expand its broadband network resulting in total project costs of \$57.4 million, with government matching grants totaling \$30.1 million. Approximately \$18.0 million of the grant was paid to Horizon up-front, while the remainder will be paid upon the achievement of specified milestones. Shentel assumed these agreements as a result of the Horizon Transaction and is therefore obligated under these programs to continue the build-out of this network. If Shentel fails to complete the build-out, Shentel may be required to repay a portion or all of the grant that Horizon received prior to the acquisition. Consequently, the portion of the up-front grant payment associated with unfulfilled obligations is recorded in other liabilities in the Company's consolidated balance sheets. Consistent with Shentel's existing policy for accounting for government grants, the Company reclassifies amounts from other liabilities to reduce the related property, plant and equipment as the Company fulfills its obligations under this grant program. As of December 31, 2024, \$3.7 million of this liability remained in other liabilities.

#### Note 16. Commitments and Contingencies

We are committed to make payments to satisfy our lease liabilities. The scheduled payments under those obligations are summarized in Note 9, *Leases*. We also have outstanding unconditional purchase commitments to procure programming, marketing services and IT software licenses through 2027. For the years ended December 31, 2024, 2023 and 2022 we paid \$6.1 million, \$4.6 million and \$5.2 million, respectively, for the programming, marketing and IT software license purchase commitments. The Company is obligated to make the following future minimum payments under the non-cancelable terms of these commitments as of December 31, 2024:

<i>(in thousands)</i>	<u>Purchase Commitments</u>
2025	\$ 5,809
2026	4,364
2027	1,282
Total	<u>\$ 11,455</u>

From time to time the Company is involved in various litigation matters arising out of the normal course of business. The Company consults with legal counsel on those issues related to litigation and seeks input from other experts and advisors with respect to such matters. Estimating the probable losses or a range of probable losses resulting from litigation, government actions and other legal proceedings is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages, may involve discretionary amounts, present novel legal theories, are in the early stages of the proceedings, or are subject to appeal. Whether any losses, damages or remedies ultimately resulting from such matters could reasonably have a material effect on the Company's business, financial condition, results of operations, or cash flows will depend on a number of variables, including, for example, the timing and amount of such losses or damages (if any) and the structure and type of any such remedies. The Company's management does not believe that the final outcome of any matters that we are currently involved in are reasonably likely to have a material adverse effect on our business, financial condition, results of operations or cash flows.

#### Note 17. Discontinued Operations

As discussed in Note 1, *Nature of Operations* above, the Tower Transaction represented a strategic shift in the Company's business and the Tower Portfolio has been reclassified as a discontinued operation. As a result, for all periods presented, the

assets and liabilities that transferred in the Tower Transaction disposal group are presented as held for sale in the Company's consolidated balance sheets, and operating results and cash flows related to the Tower Portfolio were reflected as a discontinued operations in our consolidated statements of operations and consolidated statements of cash flows.

The carrying amounts of the major classes of assets and liabilities, classified as held for sale in the consolidated balance sheets, were as follows:

<i>(in thousands)</i>	<b>December 31, 2023</b>
<b>ASSETS</b>	
Property, plant and equipment, net	\$ 29,162
Operating lease right-of-use assets	37,616
Deferred charges and other assets	2,137
Noncurrent assets held for sale	<u>\$ 68,915</u>
<b>LIABILITIES</b>	
Accrued liabilities and other current liabilities	\$ 3,602
Current liabilities held for sale	<u>\$ 3,602</u>
Asset retirement obligations	\$ 9,516
Non-current operating lease liabilities	41,173
Other liabilities	3,524
Noncurrent liabilities held for sale	<u>\$ 54,213</u>

Income from discontinued operations, net of tax in the consolidated statements of operations consisted of the following for December 31, 2024, 2023 and 2022:

<i>(in thousands)</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Service revenue and other	\$ 4,542	\$ 18,635	\$ 18,919
Operating expenses:			
Cost of services	1,059	5,625	5,712
Selling, general and administrative	572	1,412	1,279
Depreciation and amortization	222	2,104	2,416
Total operating expenses	<u>1,853</u>	<u>9,141</u>	<u>9,407</u>
Operating income	<u>2,689</u>	<u>9,494</u>	<u>9,512</u>
Other income:			
Gain on sale of disposition of Tower Portfolio	294,250	—	—
Other expense	(81)	—	—
Income before income taxes	296,858	9,494	9,512
Income tax expense	74,684	2,472	2,473
Income from discontinued operations, net of tax	<u>\$ 222,174</u>	<u>\$ 7,022</u>	<u>\$ 7,039</u>

Consummation of the sale triggered the recognition of approximately \$4.4 million of incremental transaction costs during the year ended December 31, 2024, for contingent deal advisory fees and legal expenses, which are netted against the gain on sale of disposition of Tower Portfolio.

**Note 18. Segment Information**

The Company operates as one segment. The accounting policies of the Company's segment are the same as those described in the summary of significant accounting policies.

The CODM assesses performance at a consolidated level and decides how to allocate resources based on Adjusted EBITDA from continuing operations.

The measure of segment assets is reported on the balance sheet as total consolidated assets.

The CODM uses (loss) income from continuing operations and Adjusted EBITDA to evaluate income generated from segment assets (return on assets) in deciding whether to reinvest profits into the operations of the Company or for other purposes, such as for acquisitions or to pay dividends.

Adjusted EBITDA is used to monitor budget versus actual results. The CODM also uses Adjusted EBITDA to analyze the Company's growth by monitoring current results versus prior year results. The analyses are used in assessing performance of the Company and in establishing management's compensation.

Adjusted EBITDA is a non-GAAP financial measure. The Company defines Adjusted EBITDA as (loss) income from continuing operations calculated in accordance with GAAP, adjusted for the impact of depreciation and amortization, impairment expense, other income (expense), net, interest income, interest expense, income tax expense (benefit), stock compensation expense, transaction costs related to acquisition and disposition events (including professional advisory fees, integration costs, and related compensatory matters), restructuring expense, tax on equity award vesting and exercise events, and other non-comparable items. The Company believes that the exclusion of the expense and income items eliminated in calculating Adjusted EBITDA provides management and investors a useful measure for period-to-period comparisons of the Company's core operating results by excluding items that are not comparable across reporting periods or that do not otherwise relate to the Company's ongoing operations. Accordingly, the Company believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating the Company's operating results.

The following table summarizes the Company's revenue, (loss) income from continuing operations, Adjusted EBITDA and significant expenses:

<i>(in thousand)</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Service revenue and other	\$ 328,058	\$ 269,131	\$ 248,911
Significant expenses and other items:			
Cost of services exclusive of depreciation and amortization	128,112	100,850	102,279
Selling, general and administrative exclusive of stock-based compensation	105,356	89,271	82,585
Adjusted EBITDA	<u>94,590</u>	<u>79,010</u>	<u>64,047</u>
Stock-based compensation expense, net of amount capitalized	9,837	10,033	8,528
Restructuring, integration and acquisition	14,509	2,915	1,251
Impairment expense	382	2,552	5,241
Depreciation and amortization	98,453	63,368	66,483
Interest expense	15,897	4,212	1,577
Other benefit items	(6,461)	(5,587)	(215)
Income tax (benefit) expense	(9,670)	501	(3,400)
(Loss) income from continuing operations	<u>\$ (28,357)</u>	<u>\$ 1,016</u>	<u>\$ (15,418)</u>

Other benefit items included in (loss) income from continuing operations interest income, patronage income and benefit plan gains.

**SIGNATURES**

Pursuant to the requirements of Sections 13 or 15(d) 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

February 20, 2025	<u>/s/ CHRISTOPHER E. FRENCH</u> <i>Christopher E. French, President &amp; Chief Executive Officer</i> <i>(Principal Executive Officer)</i>
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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>/s/CHRISTOPHER E. FRENCH</u> February 20, 2025 Christopher E. French	President & Chief Executive Officer, Director (Principal Executive Officer)
<u>/s/JAMES J. VOLK</u> February 20, 2025 James J. Volk	Senior Vice President – Chief Financial Officer (Principal Financial and Accounting Officer)
<u>/s/VICTOR C. BARNES</u> February 20, 2025 Victor C. Barnes	Director
<u>/s/THOMAS A. BECKETT</u> February 20, 2025 Thomas A. Beckett	Director
<u>/s/MATTHEW S. DENICHILO</u> February 20, 2025 Matthew S. DeNichilo	Director
<u>/s/JAMES F. DIMOLA</u> February 20, 2025 James F. DiMola	Director
<u>/s/TRACY FITZSIMMONS</u> February 20, 2025 Tracy Fitzsimmons	Director
<u>/s/JOHN W. FLORA</u> February 20, 2025 John W. Flora	Director
<u>/s/ RICHARD L. KOONTZ, JR.</u> February 20, 2025 Richard L. Koontz, Jr.	Director
<u>/s/KENNETH L. QUAGLIO</u> February 20, 2025 Kenneth L. Quaglio	Director
<u>/s/MICHAEL A. RHYMES</u> February 20, 2025 Michael A. Rhymes	Director
<u>/s/LEIGH ANN SCHULTZ</u> February 20, 2025 Leigh Ann Schultz	Director

**CERTIFICATE OF SERVICE**

And now, this 19th day of August, 2025, I do hereby certify that I have served a true and correct copy of the foregoing document upon the persons listed below at their respective address, via first-class mail, postage prepaid.

Office of Consumer Advocate  
555 Walnut Street  
5th Floor, Forum Place  
Harrisburg, PA 17101-1923

Office of Small Business Advocate  
555 Walnut St.  
1<sup>st</sup> Floor, Forum Place  
Harrisburg, PA 17101

Office of Attorney General  
Office of Consumer Protection  
Strawberry Square  
Harrisburg, PA 17120

Bureau of Investigations & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
Harrisburg, PA 17120



Date: August 19, 2025

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Attorney for  
Applicant