

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)

For fiscal year ended December 31, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from _____ to _____.

Commission File Number: 1-8325

MYR Group Inc.

(Exact name of registrant as specified in its charter)

Delaware

36-3158643

(State or other jurisdiction
of incorporation)

(I.R.S. Employer
Identification No.)

1701 W. Golf Road, Rolling Meadows, IL 60008

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (847) 290-1891

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common Stock, \$0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 12 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

The aggregate market value of the registrant's Common Stock, \$0.01 par value, held by non-affiliates of the registrant as of March 22, 2000, was \$152,817,148 based on the closing price on that date on the New York Stock Exchange. As of March 22, 2000, 6,714,259 shares of the registrant's Common Stock, \$0.01 par value were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Those sections or portions of the definitive proxy statement of MYR Group Inc. for use in connection with its annual meeting of stockholders are incorporated by reference into Part III of this annual report.

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and Cross-Reference Sheet

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MYR GROUP INC.

PART I

Item 1. Business

The Company was organized under the laws of Delaware in April 1982, to serve as a holding company. Its principal assets consist of all of the outstanding shares of capital stock of The L. E. Myers Co., a Delaware corporation ("Myers"), Hawkeye Construction Inc., an Oregon corporation ("Hawkeye"), Harlan Electric Company, a Michigan corporation ("Harlan"), MYRcom, Inc. ("MYRcom"), a Delaware Corporation, ComTel Technology, Inc., ("ComTel") a Colorado Corporation, and D.W. Close Company Inc., a Washington Corporation ("D.W. Close"). Myers is based in Rolling Meadows, Illinois and is the successor to another Delaware Corporation of the same name which was organized in 1914 to succeed a business established in 1891 by Lewis E. Myers. Hawkeye was acquired by the Company in 1991 and its principal place of business is Troutdale, Oregon. Harlan was acquired by the Company in 1995 and is headquartered in Rochester Hills, Michigan. Harlan has two subsidiaries: Sturgeon Electric Company, Inc., a Michigan corporation ("Sturgeon") with its principal place of business in Henderson, Colorado, acquired by Harlan in 1974 and Power Piping Company, a Pennsylvania corporation ("Power Piping") with its principal place of business in Pittsburgh, Pennsylvania, acquired by Harlan in 1963. ComTel was organized in 1983 and its principal place of business is Broomfield, Colorado. The Company acquired D.W. Close on May 1, 1997. MYRcom was formed in 1999 and its principal place of business is in Texas. D.W. Close was organized in 1979 as a Washington corporation and its principal place of business is Seattle, Washington. As used under this Item 1 and Item 2, the term "Company" refers collectively to MYR Group Inc. and its direct and indirect subsidiaries and predecessors, unless the context otherwise requires.

The consolidated financial statements and notes thereto set forth in Part II, Item 8 of this report contain information regarding D.W. Close

since May 1, 1997.

The general offices of the Company are located at 1701 West Golf Road, Rolling Meadows, Illinois.

Construction Services

The Company conducts its business through its direct and indirect operating subsidiaries. The construction services performed by the Company are principally involved in two areas, infrastructure services and commercial/industrial services. The commercial/industrial services include electrical construction and mechanical construction.

Infrastructure Services

The infrastructure construction and maintenance services involve primarily electric utility line construction and maintenance services to electric utilities, other similar entities and other users of these higher voltage electrical construction services, gas utility construction services to utilities, telecommunication construction services to a broad spectrum of clients and traffic signal and street lighting construction services predominantly to various departments of transportation and municipalities.

Myers, Hawkeye, Harlan, ComTel, MYRcom, Sturgeon and D.W. Close each provide some or all of these services to their respective markets. The

Company generally serves the electric utility and gas utility industries as a prime construction contractor while its telecommunications services and its traffic and street lighting services are provided both as a prime contractor and as a subcontractor. Designs and specifications for a project are usually prepared by the clients or their agents. The services provided to electric utilities and other similar entities include the construction and maintenance of high voltage transmission lines, substations and distribution systems. The gas construction services involves the underground installation and repair of gas mains and lines. The telecommunications services include the installation of foundations and towers for PCS and cellular wireless communication installations, fiber optic and copper communication installation for the transmission of voice, data and video. The Company also installs telecommunications/teledata services which include LAN/WAN, telephone, video, voice, data, security and fire alarm systems. The Company supplies the management, labor, equipment and tools necessary to construct the project. Construction materials are generally supplied by the clients although the Company occasionally may be required to procure and supply the construction materials. Most contracts undertaken by the Company are completed within twelve months, although certain contracts may extend for longer periods.

Commercial/Industrial Construction Services

The Company, through Sturgeon, ComTel and D.W. Close, provides electric construction and maintenance services to the commercial and industrial marketplace. These services are typically referred to as "inside" electrical construction. The Company's work in the commercial and industrial electric construction market place is most often performed as a subcontractor to a general contractor, however, the Company does perform certain commercial and industrial construction services as a prime contractor. Commercial and industrial electrical maintenance services are frequently performed by the Company as a prime contractor. The Company generally provides the materials to be installed as a part of the scope of these contracts which vary greatly in size and duration. The Company provides such construction services on many varied types of projects including airports, hospitals, hotels and casinos, arenas and convention centers, and manufacturing and process facilities. On occasion, a subsidiary of the Company will enter into a joint venture with another contractor to perform a specific project. In these cases the subsidiary and the other contractor will typically share in the profits or losses on the project in the percentage determined by the joint venture agreement. The joint venture agreement will define the obligations of the subsidiary and the other contractor with respect to the project and the management of the venture.

The Company, through Power Piping, provides mechanical construction and

maintenance services for the steel industry, electric utility industry, chemical industry, food processors and other industrial customers located in the eastern half of the United States. These services are provided by the Company both as a prime contractor and as a subcontractor.

General

The Company's construction and maintenance crews are active year round in all geographic areas in which the Company operates. Winter weather in some northern areas and summer weather in some southern areas can adversely impact work schedules.

The Company is subject to the authority of state and municipal regulatory bodies concerned with the licensing of contractors. The

Company has experienced no material difficulty in complying with the requirements imposed on it by such regulatory bodies.

The Company's operations are currently conducted primarily in the United States.

Customers

Electric utilities, in the aggregate, represent the largest customer base of the Company. During the last five years, the Company's ten largest customers accounted for 42.3% of its consolidated contract revenues and its single largest customer accounted for 8.1% of such revenue. General contractors, as a group, constitute a significant group of customers for the Company's commercial and industrial work. Municipal or other government funded large projects provide the Company with significant revenues when it is awarded all or a substantial part of the electrical construction work on such projects.

In 1999 the Company's ten largest customers accounted for 40.3% of annual revenues. The Company's single largest customer during 1999 accounting for 7.1% of such revenue.

Contracts

The Company enters into contracts principally on the basis of competitive bids. Although there is considerable variation in the terms of the contracts undertaken by the Company, contracts will usually be either lump sum or unit price contracts pursuant to which the Company agrees to do the work for a fixed amount for the entire project or for the particular units of work performed. On occasion, the Company does obtain cost-plus contracts which provide for reimbursement of costs incurred by the Company, often within stated limits, plus the payment of a fee in a fixed amount or equal to a percentage of reimbursable cost. On occasion these cost-plus contracts require the Company to include a guaranteed not-to-exceed maximum price. Cost-plus and unit price contracts have accounted for a larger portion of revenue due in part to our increased level of alliances with our utility clients. A portion of the work performed by the Company requires performance and payment bonds at the time of execution of the contract. Contracts generally include payment provisions pursuant to which a 5% to 10% retainage is withheld from each progress payment until the contract work has been completed and approved.

The Company's backlog was \$173.0 million at December 31, 1999, compared to \$140.1 million at December 31, 1998. The varying magnitude and duration of projects undertaken by the Company may result in substantial fluctuations in its backlog from time to time. Substantially all of the December 31, 1999 backlog will be completed in 2000.

Certain of the projects which the Company undertakes are not completed in one accounting period. Revenue on construction contracts is recorded on the percentage-of-completion accounting method determined by the ratio of cost incurred to date on the contracts (excluding uninstalled direct materials) to management's estimates of total contract costs. Projected losses are provided for in their entirety when identified.

Some projects give rise to claims by the Company against its customers for additional compensation based upon such matters as scheduling changes, delays and interruptions or improper or revised

specifications. Some projects also result in counter claims against the Company related to costs incurred by the owner or general contractor allegedly as a result of deficiencies or delays in performance by the Company. The resolution of such claims often

extends over several years. Management's judgment as to the possible outcome of such claims pending at the end of a financial reporting period is reflected in the Company's results of operations for such period and is revised in subsequent periods, if and as, required by developments with respect to such claims (see Note 1 to the Financial Statements).

Competition

The Company's business is highly competitive in both its infrastructure construction services and commercial/industrial construction services. Competition in both areas is primarily based on the price of the construction services rendered and upon the reputation for quality, safety and reliability of the contractor rendering them. The competition encountered by the Company can vary depending upon the type of construction services which it renders.

Infrastructure Construction Competition

The infrastructure construction and maintenance service provided by the Company often requires larger amounts of capital and more specialized equipment than the requirements for commercial/ industrial construction. Larger infrastructure projects require more heavy duty equipment as well as stronger financial resources to meet the cash flow requirements of these projects. These factors sometimes reduce the number of potential competitors on these projects to the larger competitors. The number of firms which generally compete for any significant infrastructure project varies greatly depending on a number of factors, including the size of the project, its location and the bidder qualification requirements imposed upon contractors by the customer. Many of the competitors the Company encounters restrict their operations to one geographic area while others operate nationally, as does the Company.

Commercial/Industrial Construction Competition

Competition for the commercial/industrial construction services provided by the Company varies greatly. Size and location of the project will impact which competitors and the number of competitors that the Company will encounter on any particular project. The individual relationships with general contractors developed over several years by particular contractors based upon prior projects worked together will impact the Company's and its competitors' opportunities to bid on certain projects. The equipment requirements for this type of work are generally not as significant as for the infrastructure construction. Since commercial and industrial construction typically involves the purchase of materials by the contractor the financial resources to meet these requirements on particular projects may impact the competition the Company encounters. The Company has performed such construction services principally in the western half of the United States with the exception of the mechanical portion of the Company's commercial and industrial construction services, provided through Power Piping, which have been performed principally in the eastern half of the United States. Certain of the Company's competitors for this type of work operate nationally, however, the preponderance of the Company's competition operates regionally.

The Company's competition includes entities which operate solely as union contractors, solely as non-union contractors, or in certain cases, through related companies having both union and non-union contractors.

In essentially all cases involving maintenance services provided by the Company, the Company's customers will also perform some or all of these types of services as well.

Employees

At December 31, 1999, the Company had approximately 440 salaried

employees including executive officers, district managers, project managers, superintendents, estimators, office managers, and staff and clerical personnel. The Company also employed approximately 3,700 hourly-rated employees. This number fluctuates depending upon the number and size of the projects under construction by the Company at any particular time. During peak construction periods, the Company had about 4,100 hourly-rated employees working on various construction projects in 1999. Approximately 90% of the Company's hourly-rated employees were members of the International Brotherhood of Electrical Workers ("IBEW"), AFL-CIO. Such IBEW employees are represented by numerous local unions under various agreements with varying terms and expiration dates. Such local agreements are entered into by and between the IBEW local and the National Electrical Contractors Association, of which the Company is a member. On occasion the Company will employ employees who are members of other trade unions pursuant to multi-employer, multi-union project agreements.

Recent Events

On December 21, 1999, MYR Group, Inc. (the "Company"), GPX Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Parent ("Purchaser") and GPU, Inc. ("Parent") entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which, Purchaser commenced a cash tender offer (the "Offer"), to purchase all the issued and outstanding shares of common stock of the Company, \$0.01 par value per share (the "Shares"), at a price of \$30.10 per Share, net to the seller in cash, without interest thereon, subject to the terms and conditions of the Offer. The obligation of Purchaser to accept for payment or pay for Shares is subject to the satisfaction of the condition that there shall be validly tendered in accordance with the terms of the Offer prior to the expiration date of the Offer and not withdrawn a number of Shares which, together with the Shares then owned by Parent and Purchaser, represents at least a majority of the Shares outstanding on a fully diluted basis, and certain other conditions. The Merger Agreement provides that, following the consummation of the Offer, upon the satisfaction or waiver of certain conditions, Purchaser will be merged with and into the Company (the "Merger"), with the Company continuing as the surviving corporation (the "Surviving Corporation"). In the Merger, each Share outstanding immediately prior to the effective time of the Merger (other than Shares held in the treasury of the Company, Shares owned by Parent, Purchaser or any other wholly owned subsidiary of Parent, or Shares held by stockholders who properly perfect their dissenters' rights under the Delaware General Corporation Law) will be converted, by virtue of the Merger and without any action by the holder thereof, into the right to receive \$30.10 per Share (or any higher price paid per Share in the Offer), net to the seller in cash, without interest thereon.

The transaction is subject to regulatory approval under the Public Utility Holding Company Act, to the satisfaction of certain other conditions, and also provides for the payment of a break-up fee.

Item 2. Properties

Construction Equipment

The Company owns a substantial amount of construction equipment. This equipment, which at December 31, 1999 had an aggregate cost of \$47.6 million and a net book value of \$10.1 million includes, among other items, trucks, trailers, tractors, tension stringing machines, bulldozers, bucket trucks, digger derricks, cranes and construction tools. Circumstances often require the Company to lease or rent various items of equipment in connection with its work on particular projects. The terms of these equipment leases and rental agreements are generally related to the length of time to complete the construction contract and sometimes include an option to purchase. The Company generally exercises the lease-purchase options with respect to such equipment, and in such cases, usually receives a credit toward the purchase price in the amount of all or a portion of the rentals paid on the lease.

Real Estate

The general offices of the Company occupy approximately 10,500 square feet of leased space in an office building at 1701 West Golf Road, Rolling Meadows, Illinois. The lease on these quarters expires in February, 2004. Rent expense for this property in 1999 totaled approximately \$159,000.

The Company owns land which at December 31, 1999 aggregated approximately 46 acres. Buildings owned by the Company as of the same date contained approximately 174,000 square feet of space and housed certain regional offices and equipment centers, as well as a number of small warehouses and garages.

Certain other regional locations, which were leased on December 31, 1999, contained approximately 131,000 square feet of enclosed space. Rentals for such property in 1999 totaled approximately \$1.2 million and were under both long and short-term leases.

The following table sets forth Company acquisitions of all property and equipment, including acquisitions under capital leases, during each of the last three years.

Year	Amount
----	-----
1999	\$4,340,000
1998	\$4,545,000
1997	\$4,173,000

Item 3. Legal Proceedings

The Company is a defendant in a number of lawsuits arising in the ordinary course of its business. In the opinion of the Company's management, based in part upon the advice of its counsel, these lawsuits are covered by insurance, provided for in the consolidated financial statements of the Company, or are without merit, and the Company's management is of the opinion that the ultimate disposition of any of these pending lawsuits will not have a material adverse impact on the Company in relation to the Company's consolidated financial condition.

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

No matters were submitted to a vote of security holders in the fourth quarter of the year ended December 31, 1999.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

The shares of Common Stock of the Company are listed and traded on the New York Stock Exchange. As of March 22, 2000 there were 712 holders of record of the shares of Common Stock of the Company. The following table sets forth quarterly market price and dividend information per share for the Common Stock of the Company (see Note 19 to the Financial Statements).

Quarter Ended	Stock Price Range	Dividends Declared
-----	-----	-----
December 31, 1999	\$17.88 - \$29.50	\$.0375
September 30, 1999	16.75 - 22.50	.0375
June 30, 1999	11.75 - 18.00	.0375
March 31, 1999	10.06 - 12.00	.0375
December 31, 1998	\$10.13 - \$12.88	\$.035
September 30, 1998	10.69 - 16.88	.035
June 30, 1998	11.31 - 14.25	.035
March 31, 1998	11.31 - 12.81	.035

Item 6. Selected Financial Data

(Dollars in thousands except per share amounts)

Years ended December 31		1999	1998	1997	1996	1995
FOR THE YEAR	Contract revenue	\$477,279	\$459,343	\$431,276	\$310,577	\$266,965
	Income	9,132	7,888	5,951	3,968	3,429
	Depreciation and Amortization	4,668	4,565	5,580	6,091	6,189
	Capital expenditures	4,340	4,545	4,173	5,293	4,959
	Interest expense	1,020	2,160	1,720	1,826	1,772

AT YEAR END	Backlog	\$173,000	\$140,100	\$136,400	\$134,900	\$ 69,100
	Working capital	33,813	30,176	22,598	14,171	15,490
	Property (net)	15,817	16,102	16,891	22,239	23,144
	Total assets	129,706	110,199	117,424	98,486	101,834
	Total long-term debt	--	6,614	7,784	8,995	14,590
	Shareholders' equity	49,696	39,348	31,078	29,570	26,618
	Shares outstanding	6,429	5,699	5,488	5,395	5,303
	Diluted shares outstanding	6,900	6,672	7,088	6,747	6,666

PER SHARE DATA	Income					
	Basic	\$ 1.53	\$ 1.40	\$ 1.09	\$.74	\$.65
	Diluted	1.34	1.20	.87	.62	.55
	Book value	7.73	6.90	5.66	5.48	5.02
	Stock price range					
	Low	10.06	10.13	6.98	6.00	4.78
	High	29.50	16.88	14.85	7.73	7.15
	Cash dividends	.1500	.1400	.1320	.1200	.1091

NOTES: 1. Selected financial data for 1999, 1998, 1997, 1996 and 1995 includes Harlan Electric Company since the January 3, 1995 date of acquisition. The 1999, 1998 and 1997 data includes D.W. Close Company since the May 1, 1997 date of acquisition. See Note 2 to the Financial Statements.

2. The selected financial data excludes discontinued operations (see Note 5 to the Financial Statements).

3. All share and per share data have been adjusted for the four-for-three stock split in the form of a stock dividend in December 1995 and the five-for-three stock split in the form of a stock dividend in December, 1997.

4. Income from continuing operations in 1999 is before an extraordinary charge of \$572,000 or \$0.09 per share as a result of merger related costs pursuant to the December 21, 1999 Agreement and Plan of Merger.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Continuing Operations

Revenues increased 3.9% to \$477.3 million in 1999 from \$459.3 million in 1998. The 1999 increase in revenue was due to higher alliance related work and generally strong demand for infrastructure services. This increase was offset by a decrease in revenues from a major commercial electrical job for a hotel and casino in Nevada that was completed in 1998. Revenues increased by 18.8% excluding this project. Revenues increased 6.5% to \$459.3 million in 1998 from \$431.3 million in 1997. The 1998 increase in revenue was due to higher storm work, alliance related work and the D.W. Close acquisition in the second

quarter of 1997 as described in Note 2 to the Financial Statements. This increase was offset by a decrease in revenues from a major commercial electrical job for a hotel and casino in Nevada that was completed in 1998. Revenues increased by 13.8%, excluding this project.

The use of alliances, primarily with our electrical utility customers, continued in 1999. In 1999 alliances accounted for \$173 million of revenues versus \$126 million of revenues in 1998. Clients use alliances to award some or all of their construction requirements to one or more preferred contractors at negotiated or pre-determined prices.

Gross profit increased 12.1% to \$50.7 million in 1999 from \$45.2 million in 1998. The gross profit percentage increased to 10.6% in 1999 compared to 9.8% in 1998, in part, due to a lesser percent of our commercial and industrial revenues coming from a significant cost-plus fixed-fee job. This type of work generally involves lower financial risk, therefore frequently generates lower margins. The margin was also positively impacted by a favorable decision in a lawsuit in which the company together with its joint venture partner, were awarded damages for additional costs incurred on a construction project which was completed in 1998. Gross profit was adversely impacted by contract loss accruals on two projects during the year. Losses were recorded on one of these projects as a result of the Company incurring substantial costs to perform certain underground work in rock conditions that it did not anticipate at the time of the contract. Although the Company is seeking additional compensation related to certain of the costs incurred it has recognized no revenue to date against such costs. This contract is substantially complete. Losses were recorded on the second contract as a result of significant costs incurred and estimated to be incurred in excess of amounts of revenue currently agreed upon for the base contract price plus change orders, approved to date, to the contract. The Company has submitted change order requests for certain of these costs. While the Company anticipates making claims related to this contract, including claims to recover certain costs incurred and anticipated to be incurred, the Company has recorded no revenue related to such claims. The total of these losses on these two contracts amounted to \$10.3 million in 1999.

Gross profit increased 14.0% to \$45.2 million in 1998 from \$39.7 million in 1997. The gross profit percentage increased to 9.8% in 1998 compared to 9.2% in 1997, in part, due to a lesser percent of our commercial and industrial revenues coming from a significant cost-plus fixed-fee job. The gross profit percentage also increased due to lower insurance costs as a result of the impact of our safety program on construction costs. Offsetting these increases in gross margin percentages were losses at a recently acquired business doing commercial and industrial electrical work. The unit, which was acquired as a turnaround opportunity, has made a number of significant changes in its operations which resulted in improved operations in 1999.

Revenue and gross profit comparisons from quarter to quarter and comparable quarters of different years may be impacted by variables beyond the control of the Company due to the nature of the Company's work as an outside electrical Contractor. Such variables include unusual or unseasonable weather and delays in receipt of construction materials on projects where the materials are provided to the Company by its clients. The client mix of the Company's work from period to period can impact gross margin percentage. As the percent of revenue derived for projects in which the Company supplies materials increases, the gross profit percentage will generally decrease. As the percentage of revenue derived from cost-plus work increases, margins may also decrease since this work involves lower financial risk. Finally, since the Company's revenues are derived principally from providing construction labor services, insurance costs, particularly for workers' compensation, are a significant factor in the Company's contract cost structure. Fluctuations in insurance reserves for claims under the high deductible insurance programs can have a significant impact on gross margins, either upward or downward, in the period in which such insurance reserve adjustments are made.

Selling, general and administrative expenses increased 15.5% to \$35.7 million in 1999 from \$30.9 million in 1998. The increase reflects additional compensation and related costs to support the higher volume

of work. Selling, general and administrative expenses as a percentage of revenues increased to 7.5% in 1999 from 6.7% in 1998.

Selling, general and administrative expenses increased 9.7% to \$30.9 million in 1998 from \$28.2 million in 1997. The increase reflects the inclusion of D.W. Close for a full year, additional compensation and related relocation costs to support the higher volume of work and increased training related costs associated with new management development programs. Selling, general and administrative expenses as a percentage of revenues increased to 6.7% in 1998 from 6.5% in 1997.

Net interest expense was \$899,000 in 1999 compared to \$2.1 million in 1998. Interest expense decreased in 1999 primarily due to lower average bank debt throughout the year.

Net interest expense was \$2.1 million in 1998 compared to \$1.7 million in 1997. Interest expense increased in 1998 primarily due to higher average bank debt throughout the year to support working capital needs as a result of the higher volume of work and higher average retention receivable balances relating to the major hotel and casino project in Nevada.

Gains recognized from sales of property and equipment were \$1.2 million and \$550,000 in 1999 and 1998, respectively. The gain in the current year is primarily due to the sale of equipment as a result of a program to modernize the equipment fleet. The gain in 1998 was partially attributable to the sale of a facility as a result of consolidating operations. In 1997, losses of \$76,000 were recognized from sales of property and equipment. This loss was primarily due to the sale and disposal of obsolete equipment.

Net other expense was \$94,000 in 1999 compared to net other income of \$175,000 in 1998 and of \$178,000 in 1997. The 1999 other expense primarily represents bank fees and other related costs offset by cash discounts. The 1998 other income represents cash discounts and the reversal of the prior year's accruals for the clean-up and move out of an operating unit's facility that were not needed when the property was sold. This income is offset by bank fee expenses. The 1997 other income includes \$1 million relating to the settlement of a lawsuit (see Note 5 to the Financial Statements). Offsetting this amount are bank fees, amortization of goodwill, costs accrued for the clean-up and move out of an operating unit's facility as a result of consolidating operations and the write off of an investment in land that has never been developed.

Income tax expense from continuing operations was \$6.1 million in 1999, \$5.0 million in 1998 and \$4.0 million in 1997. As a percentage of income the effective rate was 40.0% for 1999, 39.0% for 1998, and 40.0% for 1997.

The Company's backlog was \$173.0 million at December 31, 1999, \$140.1 million at December 31, 1998 and \$136.4 million at December 31, 1997. Substantially all of the current backlog will be completed within twelve months.

The extraordinary item in 1999 represents a charge of \$572,000 or \$0.09 per share as a result of merger related costs pursuant to the December 21, 1999 Agreement and Plan of Merger.

Discontinued Operations

As part of the sale in 1988 of its former engineering subsidiary, the Company retained certain rights and obligations in connection with a lawsuit with National Union Fire Insurance Company of Pittsburgh, PA. In June 1997, the Company settled the lawsuit and recorded the amounts received from the settlement, which resulted in a net gain from discontinued operations of \$602,000, net of income tax expense of \$402,000.

Liquidity and Capital Resources

The Company's financial condition continues to be strong at December 31, 1999 with working capital of \$33.8 million as compared to \$30.2 million in 1998 and \$22.6 million in 1997. The Company's debt to equity ratio decreased to 26.3% at December 31, 1999 from 26.8% and 40.6% at

December 31, 1998 and 1997, respectively. Working capital increased in 1999 mainly as a result of strong operating results that were used to reduce line of credit borrowings.

The acquisition of D.W. Close was completed on May 1, 1997. The purchase price was \$2.9 million. Of this amount \$400,000 was paid to the D.W. Close shareholder in cash with the remaining \$2.5 million in the form of promissory notes to the seller. The cash portion of the purchase price was funded through the Company's cash balances (see Note 2 to the Financial Statements). At December 31, 1999, the balance of the promissory notes to the seller was approximately \$917,000.

The Company has a \$30 million revolving credit facility (see Note 8 to the Financial Statements). As of December 31, 1999 there was \$11.9 million outstanding under the revolver facility. The Company has outstanding letters of credit with banks totaling \$1.9 million, which guarantee the Company's payment obligations under its insurance programs. The Company anticipates that its credit facility and additions thereto if necessary, cash balances and internally generated cash flows will continue to be sufficient to fund operations, capital expenditures, possible acquisitions and debt service requirements. The Company is also confident that its financial condition will allow it to meet long-term capital requirements.

The Company's Board of Directors authorized the purchase of up to 750,000 shares of its common stock. In 1999 and 1998, purchases under this program totaled 144,808 and 19,494 shares at a cost of \$1,492,000 and \$248,000, respectively. No purchases were made in 1997. At December 31, 1999 the balance available under the Board of Directors' authorization to purchase shares was 605,192. Further stock purchases are prohibited under the definitive GPU Merger Agreement dated December 21, 1999.

The Company loaned four officers \$4,694,104 during 1999 for payment of the exercise price and related tax liability associated with exercising options on 622,371 shares, which included 347,225 shares that were expiring in 1999. The portion related to the exercise price, \$2,631,000, is classified in stockholders' equity and the balance that relates to the withholding taxes paid is included in other assets.

Cash flows from operations were \$9.2 million in 1999 compared to \$7.3 million in 1998. The increase is primarily the result of higher net income and higher levels of billings in excess of costs and estimated earnings on uncompleted contracts.

Cash flows from operations were \$7.3 million in 1998 compared to \$3.8 million in 1997. The 1997 amount includes \$2.5 million of proceeds received from the National Union lawsuit (see Note 5 to the Financial Statements). The \$5.9 million increase from continuing operations is mainly the result of higher net income and the net proceeds from collecting a significant retention receivable balance, offset by payments of retention to subcontractors on a major hotel and casino project in Nevada.

Capital expenditures were \$4.3 million in 1999, compared to \$4.5 million in 1998 and \$4.2 million in 1997. Capital expenditures during these periods were used for normal property and equipment additions, replacements and upgrades. The Company plans to spend approximately \$5.8 million on capital improvements in 2000. Capital expenditures are supplemented with operating leases for construction equipment and real estate (see Note 7 to the Financial Statements).

Cash flows used for investments were \$2.8 million in 1999 and \$3.0 million in 1998. Cash flows were generated from the disposal of equipment amounting to \$1.6 million in 1999 and from the disposal of property and equipment amounting to \$1.5 million in 1998. Cash flows used for investments in 1997 were \$4.0 million, which included \$241,000 for the acquisition of D.W. Close. Cash flows were generated from the disposal of equipment amounting to \$404,000.

During 1999, the Company had \$3.8 million of net proceeds of long-term debt compared to \$6.6 million of net repayments of long-term debt in 1998. The 1999 proceeds were used to fund operations and support the higher level of working capital investment.

During 1998, the Company had \$6.6 million of net repayments of long-term debt compared to \$3.4 million of net proceeds from issuance of long-term debt in 1997. The 1998 repayments include \$3.5 million of payments under the terms of debt agreements and \$3.1 million of unscheduled reductions of the line of credit for working capital. These additional payments are the result of higher cash flow from continuing operations and lower investment cash outflows during the year, as noted above.

Cash flows for dividends were \$893,000, \$791,000, and \$725,000 in 1999, 1998 and 1997, respectively.

YEAR 2000 Compliance:

General

The "Year 2000 problem" arose because many existing computer programs use only the last two digits to refer to a year. Therefore, these computer programs do not properly recognize a year that begins with "20" instead of the familiar "19." If not corrected, many computer applications could have failed or created erroneous results. To date, the Company has not experienced any material Year 2000 issues and has been informed by our material suppliers and vendors that they have also not experienced material Year 2000 Issues.

Year 2000 Costs

Costs related to the Year 2000 issue were funded through operating cash flows and were expensed as incurred. As of December 1999, the Company had expended funds in remediation efforts, which consisted of costs associated with modifying the source code of existing software. This amount has been immaterial to the Company. Total costs related to the Year 2000 issue were immaterial. A number of other upgrades have been made to systems in the normal course of business that mitigate Year 2000 issues.

New Accounting Pronouncements

In 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, (collectively referred to as derivatives) and for hedging activities. This standard is effective for years beginning after June 15, 2000. The Company believes the implementation of this pronouncement will not have a material impact on the Company's reported financial position, results of operations and cash flows. To date, the Company has not engaged in activities or entered into arrangements normally associated with derivative instruments.

CAUTIONARY STATEMENT- This Form 10-K may contain statements, which constitute "forward-looking" information as defined in the Private Securities Litigation Reform Act of 1995 or by the Securities and Exchange Commission. These statements are based on the Company's expectations and are subject to risks and uncertainties that may cause the actual results in the future to differ significantly from the results expressed or implied in any forward-looking statements contained in this filing. Such forward-looking statements are within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended.

Item 7a. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to the impact of interest rate changes. The Company conducted an analysis of its financial instruments assuming a one percentage point adverse change in interest rates at December 31, 1999, and 1998. Holding all other variables constant, the hypothetical adverse changes would not materially affect the Company's financial position for either year.

Item 8. Financial Statements

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MYR GROUP INC.

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The consolidated financial statements, and all other information in this annual report, were prepared by management which is responsible for their integrity and objectivity. Management believes the consolidated financial statements, which require the use of certain estimates and judgments, fairly and accurately reflect the Company's financial position, operating results and cash flows, in accordance with generally accepted accounting principles. All financial information in this annual report is consistent with the financial statements.

Management maintains a system of internal controls which it believes provides reasonable assurance that, in all material respects, assets are maintained and accounted for in accordance with management's authorizations and transactions are recorded accurately in the books and records. The concept of reasonable assurance is based on the premise that the cost of internal controls should not exceed the benefits derived. To assure the effectiveness of the internal lines of responsibility and delegation of authority, the Company's formally stated and communicated policies require employees to maintain high ethical standards in their conduct of its business. These policies address, among other things, potential conflicts of interest; compliance with all laws, including those related to financial disclosure; and confidentiality of proprietary information.

The Audit Committee of the Board of Directors is comprised entirely of directors who are not employees of the Company. The committee reviews audit plans, internal controls, financial reports and related matters and meets regularly with the Company's management and independent auditors. The independent auditors have free access to the Audit Committee, without management being present, to discuss the results of their audits or any other matters.

Ernst & Young LLP, independent auditors, have audited the 1999 and 1998 consolidated financial statements of the Company. Their report is presented on page 16. Their audits include a study and evaluation of the Company's control environment, accounting systems and control procedures. Ernst & Young LLP advises management and the Audit Committee of significant matters resulting from their audits of our consolidated financial statements and consideration of our internal controls.

Charles M. Brennan III
Chairman and
Chief Executive Officer

William A. Koertner
Senior Vice President, Treasurer
and Chief Financial Officer

MYR GROUP INC.

INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholders
MYR Group Inc.:

We have audited the accompanying consolidated balance sheets of MYR Group Inc. and subsidiaries, as of December 31, 1999 and 1998 and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated financial statements of MYR Group Inc., for the year ended December 31, 1997 were audited by other auditors whose report dated March 18, 1998, expressed an unqualified opinion on the statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 1999 and 1998 consolidated financial statements referred to above present fairly in all material respects, the consolidated financial position of MYR Group Inc. and subsidiaries at December 31, 1999 and 1998 and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP
Chicago, Illinois
March 29, 2000

MYR GROUP INC.

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands except share and per share amounts)

December 31	1999	1998
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,458	\$ 1,372
Accounts receivable (Note 3)	73,485	68,112
Costs and estimated earnings in excess of billings on uncompleted contracts (Note 4)	18,672	17,092

Deferred income taxes (Note 10)	9,152	6,153
Other current assets	3,052	239
	-----	-----
Total current assets	111,819	92,968
Property and equipment-net (Notes 2, 6 and 8)	15,817	16,102
Other assets	2,070	1,129
	-----	-----
Total assets	\$129,706	\$110,199
=====		
LIABILITIES		
Current liabilities:		
Current maturities of long-term debt (Note 8)	\$ 17,777	\$ 7,813
Accounts payable	16,220	14,135
Billings in excess of costs and estimated earnings on uncompleted contracts (Note 4)	14,970	9,448
Accrued liabilities (Note 9)	29,039	31,396
	-----	-----
Total current liabilities	78,006	62,792
Long-term liabilities:		
Long-term debt (Note 8)	--	6,614
Deferred compensation	384	393
Deferred income taxes (Notes 2 and 10)	1,620	1,052
	-----	-----
Total liabilities	80,010	70,851
SHAREHOLDERS' EQUITY		
Common stock - par value \$0.01 per share and \$1 per share; authorized 25,000,000 and 10,000,000 shares; issued 6,429,135 and 5,698,892 shares in 1999 and 1998, respectively.	64	5,699
Additional paid-in capital (Note 2)	13,800	1,310
Retained earnings (Note 2)	42,002	34,335
Restricted stock awards and shareholder notes receivable (Note 14)	(6,170)	(1,996)
	-----	-----
Total shareholders' equity	49,696	39,348
	-----	-----
Total liabilities and shareholders' equity	\$129,706	\$110,199
=====		

The "Notes to Consolidated Financial Statements" are an integral part of this statement.

MYR GROUP INC.

CONSOLIDATED STATEMENT OF INCOME

(Dollars in thousands except share and per share amounts)

Years ended December 31	1999	1998	1997
=====			
Contract revenue	\$477,279	\$459,343	\$431,276
Contract cost	426,566	414,123	391,616
	-----	-----	-----
Gross profit	50,713	45,220	39,660
Selling, general and administrative expenses	35,713	30,885	28,164
	-----	-----	-----
Income from operations	15,000	14,335	11,496
Other income (expense)			
Interest income	121	31	40
Interest expense	(1,020)	(2,106)	(1,720)
Gain (loss) on sale of property and equipment	1,213	550	(76)
Other	(94)	175	178
	-----	-----	-----
Income from continuing operations before income taxes	15,220	12,931	9,918
Income tax expense (Note 10)	6,088	5,043	3,967

Income from continuing operations	9,132	7,888	5,951
Gain from discontinued operations (Note 5)	--	--	602
Net income before extraordinary item	9,132	7,888	6,553
Extraordinary item (Note 19)	(572)	--	--
Net income	\$ 8,789	\$ 7,888	\$ 6,553

EARNINGS PER SHARE			
Earnings per share (Note 13)-Basic:			
Income from continuing operations	\$ 1.53	\$ 1.40	\$ 1.09
Gain from discontinued operations	--	--	.11
Extraordinary item (Note 19)	(.09)	--	--
Net Income	\$ 1.44	\$ 1.40	\$ 1.20
Earnings per share (Note 13)-Diluted:			
Income from continuing operations	\$ 1.34	\$ 1.20	\$.87
Gain from discontinued operations	--	--	.09
Extraordinary item (Note 19)	(.09)	--	--
Net income	\$ 1.25	\$ 1.20	\$.96

The "Notes to Consolidated Financial Statements" are an integral part of this statement.

MYR GROUP INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(Dollars in thousands)

Years ended December 31, 1997, 1998 and 1999						
	Common Stock Issued	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Restricted Stock Awards and Shareholder Note Receivable	Total
Balance January 1, 1997	\$ 3,350	5,965	(1,043)	22,121	(823)	29,570
Five-for-three stock split	2,232	(2,232)				--
Claim settlement (Note 2)		(3,994)		(711)		(4,705)
Issuance of 41,660 common shares upon exercise of stock options		(56)	231			175
Issuance of 52,343 common shares for restricted stock awards		317	290		(607)	--
Amortization of unearned restricted stock awards					142	142
Net income				6,553		6,553
Dividends paid				(725)		(725)
Shareholder note payment					68	68
Balance December 31, 1997	5,582	-	(522)	27,238	(1,220)	31,078
Issuance of 113,006 common shares upon exercise of stock options	57	396	452			905
Issuance of 76,395 common shares for restricted stock awards	19	723	318		(1,060)	-
Amortization of unearned restricted stock awards					216	216
Converted subordinated notes	41	191				232
Treasury stock purchases			(248)			(248)
Net income				7,888		7,888
Dividends paid				(791)		(791)
Shareholder note payment					68	68

Balance December 31, 1998	\$ 5,699	\$ 1,310	\$ 0	\$34,335	\$ (1,996)	\$39,348
Issuance of 670,715 common shares upon exercise of stock options	223	4,168	1,492		(2,631)	3,252
Issuance of 125,908 common shares for restricted stock awards	54	1,973	-		(2,027)	-
Amortization of unearned restricted stock awards					416	416
Converted subordinated notes	1	436				437
Treasury stock purchases			(1,492)			(1,492)
Net income				8,560		8,560
Dividends paid				(893)		(893)
Shareholder note payment					68	68
Stockholder amendment-change in stated par value	(5,913)	5,913				-
Balance December 31, 1999	\$ 64	\$13,800	\$ 0	\$42,002	\$ (6,170)	\$49,696

The "Notes to Consolidated Financial Statements" are an integral part of this statement.

MYR GROUP INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

(Dollars in thousands)

Years ended December 31	1999	1998	1997
CASH			
Net income	\$8,560	\$7,888	\$6,553
ADJUSTMENTS TO RECONCILE NET INCOME TO CASH FLOWS FROM OPERATIONS			
Adjustments to reconcile net income to cash flows from continuing operations:			
Extraordinary item	(572)	-	-
Discontinued operations	-	-	(602)
Depreciation	4,252	4,349	5,331
Amortization of intangibles	-	-	107
Amortization of unearned stock awards	416	216	142
Deferred income taxes	(2,431)	(525)	(66)
(Gain) loss on sale of property and equipment	(1,213)	(550)	76
Changes in operating assets and liabilities, net of acquisition:			
Accounts receivable	(5,207)	7,302	(15,810)
Costs and estimated earnings in excess of billings on uncompleted contracts	(1,580)	(2,173)	(2,796)
Other assets	(1,860)	(248)	823
Accounts payable	2,085	(5,592)	58
Billings in excess of costs and estimated earnings on uncompleted contracts	5,522	265	3,679
Insurance accruals	(1,333)	(1,253)	2,961
Other liabilities	2,595	(2,380)	907
Cash flows from continuing operations	9,234	7,299	1,363
Cash flows from discontinued operations	-	-	2,456
Cash flows from operations	9,234	7,299	3,819

CASH FLOWS FROM INVESTMENTS	Proceeds from disposal of property and equipment	1,585	1,535	404	
	Expenditures for property and equipment	(4,340)	(4,545)	(4,173)	
	Cash used in acquisition, net of cash acquired	-	-	(241)	
	Cash flows from investments	(2,755)	(3,010)	(4,010)	
CASH FLOWS FROM FINANCING	Proceeds from issuance of long-term debt	4,875	-	3,403	
	Repayments on long-term debt	(1,089)	-	(6,586)	-
	Increase (decrease) in deferred compensation	(9)	(22)	16	
	Purchases of treasury stock	(1,492)	(248)	-	
	Shareholder notes related to stock option exercise				
	Proceeds from exercise of stock options				
	Dividends paid	(4,694)	-	-	
	Shareholder note payments	2,841	905	175	
	Cash flows from financing	(893)	(791)	(725)	
		68	68	68	
	Increase (decrease) in cash and cash equivalents	(393)	(6,674)	2,937	
	Cash and cash equivalents beginning of year	6,086	(2,385)	2,746	
	Cash and cash equivalents end of year	1,372	3,757	1,011	
		\$7,458	\$1,372	\$3,757	

The "Notes to Consolidated Financial Statements" are an integral part of this statement.

MYR GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Business - The construction services performed by the Company are principally involved in infrastructure services and commercial/industrial services. The infrastructure construction and maintenance services include primarily electric and gas utility line construction and maintenance services, telecommunication construction services and traffic signals and street lighting construction services. The commercial/industrial services include electrical and mechanical construction and maintenance services to the commercial and industrial marketplace. Work is performed under lump sum, unit price, and cost-plus-fee contracts. These contracts are undertaken by the Company or its subsidiaries alone, or with subcontractors.

Principles of Consolidation - The consolidated financial statements include the accounts of the Company and its subsidiaries. The Company's investments in joint ventures are accounted for by the equity method. All material intercompany balances and transactions have been eliminated.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates.

Revenue Recognition - The Company recognizes revenue on construction contracts using the percentage-of-completion accounting method determined in each case by the ratio of cost incurred to date on the contract (excluding uninstalled direct materials) to management's

estimate of the contract's total cost. Contract cost includes all direct material, subcontract and labor costs and those indirect costs related to contract performance, such as supplies, tool repairs and depreciation. The Company charges selling, general, and administrative costs, including indirect costs associated with maintaining district offices, to expense as incurred.

Provisions for estimated losses on uncompleted contracts are recorded in the period in which such losses are determined. Changes in estimated revenues and costs are recognized in the periods in which such estimates are revised. Significant claims are included in revenue in accordance with industry practice.

The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings on uncompleted contracts," represents amounts billed in excess of revenues recognized.

Classification of Current Assets and Current Liabilities - The length of the Company's contracts varies, with some larger contracts exceeding one year. In accordance with industry practice, the Company includes in current assets and current liabilities amounts realizable and payable under contracts which may extend beyond one year.

Property and Equipment - Property and equipment are carried at cost, which has been reduced for the effect of the settlement agreement entered into in December 1997 (see Note 2). Depreciation for buildings and improvements is computed using the straight line method over estimated useful lives ranging from five years to 32 years. Depreciation for equipment is computed using straight line and accelerated methods over estimated useful lives ranging from three years to ten years. The cost of maintenance and repairs is charged to income as incurred.

Insurance - The Company maintains insurance coverage it believes to be adequate for its needs. Under its insurance contracts, the Company usually accepts self-insured retentions appropriate for the specific risks of its business.

Income Taxes - Deferred income taxes are recorded based upon the differences between the financial statement and the tax basis of assets and liabilities and available tax credit carryforwards.

Consolidated Statement of Cash Flows - For purposes of this statement, short term investments which have a maturity at purchase of ninety days or less are considered to be cash equivalents. Supplemental disclosures with respect to cash flows are as follows (in thousands):

	1999	1998	1997
	-----	-----	-----
Cash paid for interest	\$ 1,042	\$ 2,195	\$ 1,826
Cash paid for income taxes	6,472	5,130	2,900
Subordinated notes converted	437	232	-
Claim settlement (Note 2)	-	-	4,705

Other - In December 1997, the Company effected a five-for-three stock split in the form of a stock dividend. The \$2,232,000 par value of the additional shares issued was transferred from additional paid-in capital to common stock in 1997.

2. Acquisitions

On May 1, 1997, the Company acquired all the stock of D.W. Close Company, Inc. ("D.W. Close"). D.W. Close is engaged primarily in the installation of lighting systems, electrical maintenance/construction, telecommunication and smart highway construction for commercial, industrial and municipal customers.

All the shares of D.W. Close were exchanged for \$400,000 in cash and \$2,500,000 of promissory notes. The remaining principal on the promissory notes is \$916,666 which is due in 2000, with interest payable quarterly each year. The transaction has been accounted for using the purchase method of accounting.

On January 3, 1995, the Company completed the acquisition of all the stock of Harlan Electric Company ("Harlan"), pursuant to an Agreement and Plan of Merger dated October 5, 1994. All the shares of Harlan were exchanged for \$13,612,000 in cash and \$5,679,000 of 7% convertible subordinated notes. The notes are convertible into 1,000,000 shares of the Company's common stock at a price per share of \$5.67954. The transaction has been accounted for using the purchase method of accounting.

In accordance with the Harlan merger agreement and the promissory notes, the Company submitted a claim against the subordinated note holders in 1996. Effective December 29, 1997, the Company and note holders entered into a settlement agreement whereby the Company agreed to withdraw all claims and the note holders agreed to issue a call option at \$5.67954 per share on 600,191 shares of the common stock, when and if converted by the noteholders. The net value of options received, determined using the Black-Scholes option pricing model, was \$4,705,000 and has been recorded as a reduction of equity and the fair value of assets acquired in accordance with the Accounting Principles Board Opinion No. 16, "Business Combinations" (APB16). As a result, the net goodwill balance of \$2,359,000 was eliminated, the Harlan property and equipment was reduced by \$3,753,000 and \$1,407,000 of deferred taxes were recorded relating to the tax effect of the property and equipment adjustment.

3. Accounts Receivable (in thousands)

	1999	1998
	-----	-----
Contract receivables	\$ 63,743	\$ 60,559
Contract retainages	10,060	8,267
Other	198	33
	-----	-----
	74,001	68,859
Allowance for doubtful accounts	516	747
	-----	-----
	\$ 73,485	\$ 68,112
	=====	=====

4. Contracts in Process (in thousands)

	1999	1998
Costs incurred on uncompleted contracts	\$ 595,402	\$ 594,166
Estimated earnings	34,804	44,555
	-----	-----
	630,206	638,721
Less: Billings to date	626,504	631,077
	-----	-----
	\$ 3,702	\$ 7,644
	=====	=====

Included in the accompanying balance sheet under the following captions:

Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 18,672	\$ 17,092
Billings in excess of costs and estimated earnings on uncompleted contracts	14,970	9,448
	-----	-----
	\$ 3,702	\$ 7,644
	=====	=====

5. Discontinued Operations

As part of the sale in 1988 of its former engineering subsidiary, the Company retained certain rights and obligations in connection with a lawsuit with National Union Fire Insurance Company of Pittsburgh, PA ("National Union"). In June 1997, the Company settled the lawsuit and received \$4,250,000. The Company had a receivable, classified as other assets, relating to this lawsuit of \$1,854,000. The remaining \$2,396,000 related to reimbursement for interest and legal costs. The

portion allocated to interest was \$1,042,000 and was included in continuing operations as miscellaneous other income. The portion allocated to legal costs was \$1,354,000. This amount was included in income from discontinued operations, reduced by additional expenses incurred for legal and other directly related costs totaling \$350,000. The net result on discontinued operations was \$602,000, including income tax expense of \$402,000.

6. Property and Equipment (in thousands)

	1999	1998
	-----	-----
Land	\$ 931	\$ 931
Buildings and improvements	4,209	4,012
Construction equipment	47,619	47,302
Office equipment	5,388	4,461
	-----	-----
	58,147	56,706
Accumulated depreciation	42,330	40,604
	-----	-----
	\$ 15,817	\$ 16,102
	=====	=====

7. Leases and Commitments

At December 31, 1999, the Company had outstanding irrevocable standby letters of credit totaling \$1,939,139 which guarantees the Company's payment obligation under its insurance programs.

The Company also leases real estate and construction equipment under operating leases with terms ranging from one to five years. Future minimum lease payments as of December 31, 1999 total \$9,476,000, \$8,157,000, \$5,076,000, \$2,243,000 and \$851,000 for the years ending 2000, 2001, 2002, 2003, and 2004 respectively. Total rent expense, including both short-term and long-term leases, for 1999, 1998, and 1997 amounted to approximately \$22,207,000, \$17,121,000 and \$14,078,000 respectively.

8. Long-Term Debt

Long-term debt outstanding consisted of the following (in thousands):

	1999	1998
	-----	-----
Variable - rate revolving credit agreement, (effective interest rate of 8.0% at December 31, 1999), payable at maturity on September 30, 2002	\$11,851	\$ 6,875
7% convertible subordinated notes, payable in three equal installments commencing in January 2000 (see Note 21)	5,010	5,447
Variable - rate notes (1.5% over adjusted LIBOR, at December 31, 1999 the LIBOR rate was 6.1 %) payable in annual installments commencing in 1998	916	1,583
Industrial revenue bond financing at variable rates (weighted average of 9.75%)	-	480
Equipment lease at 6%, payable in monthly installments through July 1999	-	42
	-----	-----
	17,777	14,427
Less current portion	17,777	7,813
	-----	-----
	\$ -	\$ 6,614
	=====	=====

The Company maintains a \$30,000,000 credit facility with a bank group. At the Company's option, borrowings under this line bears interest at the banks' domestic prime rate less a discount or the adjusted LIBOR

index rate plus a spread, both in accordance with a pricing matrix. The credit facility expires on September 21, 2002.

The terms of the credit agreement require, among other things, minimum fixed charge coverage and senior funded debt ratios plus a minimum net worth. Payments of cash dividends and repurchases of capital stock are restricted by the minimum net worth test and adherence to other provisions of the agreement. The Company has complied with these provisions.

Convertible subordinated notes with a principal amount of \$437,000 were converted into 77,038 shares of common stock in 1999. In January 2000, the first principal payment of \$1,136,000 was made to noteholders. The 7% convertible subordinated notes with a principal amount of \$1,601,000 were converted into 281,900 shares of common stock on various dates in January and February, 2000. In addition, pursuant to a Notice of Redemption and in accordance with the terms of the note agreement, the remaining notes with a principal amount of \$2,273,000 plus accrued interest were redeemed by the Company on March 5, 2000.

In 1999, the Company redeemed all of the industrial revenue bonds which included the final \$250,000 principal amount plus accrued interest, pursuant to an early redemption clause in the trust indenture agreement. The industrial revenue bond was secured by properties with a net book value of approximately \$1,310,000 at December 31, 1998. The equipment leases were secured by equipment with a net book value of approximately \$114,000 as of December 31, 1998.

9. Accrued Liabilities (in thousands)

	1999 -----	1998 -----
Insurance	\$ 12,535	\$ 13,868
Payroll	2,696	3,388
Union dues and benefits	4,751	4,043
Profit sharing and thrift plan	2,145	1,844
Income taxes	1,100	990
Taxes, other than income taxes	1,266	1,232
Other	4,546	6,031
	-----	-----
	\$ 29,039	\$ 31,396
	=====	=====

10. Income Taxes

Provision for income taxes on income from continuing operations comprises the following (in thousands):

	1999 -----	1998 -----	1997 -----
Current			
Federal	\$ 6,488	\$ 4,303	\$ 3,409
State	2,031	1,265	624
	-----	-----	-----
	8,519	5,568	4,033
Deferred	(2,431)	(525)	(66)
	-----	-----	-----
	\$ 6,088	\$ 5,043	\$ 3,967
	=====	=====	=====

The differences between the U.S. federal statutory tax rate and the Company's effective rate for the three years ended December 31, 1999 are as follows:

	1999 ----	1998 ----	1997 ----
U.S. federal statutory rate	34.0%	34.0%	34.0%
State income taxes, net of U.S. federal income tax benefit	5.9	6.5	5.3

Other	.1	(1.5)	.7
	----	----	----
	40.0%	39.0%	40.0%
	=====	=====	=====

The net deferred tax assets and liabilities arising from temporary differences at December 31, 1999 and 1998 are as follows (in thousands):

	1999		1998	
	CURRENT ASSETS	NONCURRENT LIABILITIES	CURRENT ASSETS	NONCURRENT LIABILITIES
	-----	-----	-----	-----
Employee and retiree benefit plans	\$ -	\$ (168)	\$ -	\$ (245)
Excess tax over book depreciation		3,270	-	3,023
Insurance accruals	4,407	(1,482)	3,964	-
Other allowances and accruals	4,745		2,189	(1,726)
	-----	-----	-----	-----
	\$ 9,152	\$ 1,620	\$ 6,153	\$ 1,052
	=====	=====	=====	=====

11. Contingencies

The Company is involved in various legal matters which arise in the ordinary course of business, for which the Company has made provisions in its financial statements or which are not expected to have a material adverse effect.

12. Treasury Stock

The Company's Board of Directors has authorized the purchase of up to 750,000 shares (adjusted to reflect the December 1995 and 1997 stock splits) of its common stock for future issuance to key employees under the Company's stock option plans. The Company purchased 144,808 and 19,494 shares on the open market at a cost of \$1,492,000 and \$248,000 in 1999 and 1998, respectively. No shares were purchased in 1997. At December 31, 1999, the balance available under the Board of Directors' authorization to purchase shares was 605,192. Further stock purchases are prohibited under the definitive GPU Merger Agreement. The Company issued 145,308 and 56,230 shares out of treasury for options exercised in 1999 and 1998, respectively. The Company also issued 57,395 shares out of treasury for restricted stock awarded to non-employee directors and key employees in 1998.

13. Earnings per Share

Basic and diluted weighted average shares outstanding and earnings per share on income from continuing operations are as follows (in thousands, except per share amounts):

	1999	1998	1997
	-----	-----	-----
Share data:			
Basic shares	5,957	5,611	5,443
Common equivalent shares	603	702	645
Shares assumed converted	340	359	1,000
	-----	-----	-----
Diluted shares	6,900	6,672	7,088
	=====	=====	=====

1999		1998		1997	
Total	Per Share	Total	Per Share	Total	Per Share
-----	-----	-----	-----	-----	-----

Income from

continuing operations:						
Basic	\$ 9,132	\$ 1.53	\$ 7,888	\$ 1.40	\$ 5,951	\$ 1.09
Interest on convertible Subordinated notes	81		86		239	
	-----		-----		-----	
Diluted	\$ 9,213	\$ 1.34	\$ 7,974	\$ 1.20	\$ 6,190	\$ 0.87
	=====		=====		=====	

14. Stock Option and Restricted Stock Plans

At December 31, 1999, under the 1999, 1996, 1995, 1993, 1992 and 1990 Stock Option and Restricted Stock Plans, 16,500, 72,571, 29,779, 62,193, 163 and 296 shares, respectively, are available for grant.

Stock Options

Outstanding options granted under the 1999, 1995, 1993 and 1992 plans are exercisable at a price equal to 100% of the fair market value at the date of grant. Outstanding options granted under the 1990 and 1989 plans are exercisable at a price equal to either 85% or 100% of the fair market value at the date of grant. Vesting of options granted under the plans is determined separately for each grant and has generally been equally over a three to five year term.

Transactions and other information relating to the stock option plans for the three years ended December 31, 1999 are summarized below:

	1999		1998		1997	
	Number Of Shares	Weighted Average Exercise Price	Number Of Shares	Weighted Average Exercise Price	Number Of Shares	Weighted Average Exercise Price
	-----	-----	-----	-----	-----	-----
Outstanding beginning of year	1,216,969	\$ 5.95	1,171,773	\$ 4.66	1,195,490	\$ 4.50
Granted	212,396	13.86	204,396	12.40	43,060	8.53
Exercised	(670,715)	4.23	(113,006)	4.36	(41,660)	4.09
Forfeited	(2,000)	11.75	(46,194)	5.58	(25,117)	4.64
	-----	-----	-----	-----	-----	-----
Outstanding end of year	756,650	\$ 9.69	1,216,969	\$ 5.95	1,171,773	\$ 4.66
	=====	=====	=====	=====	=====	=====
Exercisable end of year	347,018	\$ 6.96	823,458	\$ 4.19	827,246	\$ 4.04
	=====	=====	=====	=====	=====	=====

Options outstanding at December 31, 1999 are summarized below:

	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
Exercise Prices	-----	----	-----	-----	-----
\$ 4.24 - \$ 5.51	145,863	4.40	4.64	145,863	4.64
\$ 6.52 - \$13.61	560,787	6.76	10.26	201,195	8.64
\$17.88 - \$18.96	50,000	9.79	17.96	-	-
	-----			-----	
	756,650			347,018	
	=====			=====	

The weighted average fair value of the stock options granted during 1999 and 1998 was \$5.34 and \$4.15, respectively. The fair value of each stock option grant is estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	1999	1998
	----	----
Expected life (years)	5	5
Risk-free interest rate	5.63%	5.19%
Expected volatility	36.94%	32.26%
Expected dividend yield	0.9 %	1.2 %

The Company accounts for the stock option plans in accordance with Accounting Principles Board Opinion No. 25, under which no compensation cost has been recognized for stock option awards granted at fair market value. Had compensation cost for the Stock Plans been determined consistent with Statement of Financial Accounting Standards No. 123, "Accounting for Stock - Based Compensation" (SFAS 123), the Company's pro forma income and earnings per share for 1999 and 1998 would have been:

	1999	1998
	----	----
Net Income from continuing operations	\$8,878,000	\$7,763,000
Basic earnings per share from continuing operations	1.49	1.38
Diluted earnings per share from continuing operations	1.30	1.18

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

Restricted stock

Participants under the restricted stock award plans are entitled to cash dividends and to vote their respective shares. The shares issued are held by the Company until the restriction period expires. Under the 1999, 1995, 1992 and 1990 plans, the restriction period is determined separately for each grant. Upon issuance of stock under such plans, unearned compensation equivalent to the market value at the date of grant is charged to stockholders' equity and subsequently amortized to expense over the restriction period. In 1999, 1998, and 1997, 124,000, 74,501, 49,166 shares were awarded at an average market price of \$15.86, \$12.28, and \$11.83, respectively with restriction periods of incremental vesting over five years or "bullet" vesting at seven years. The charge against net earnings for compensation under the plan was \$390,857, \$190,063, and \$116,100 in 1999, 1998 and 1997, respectively.

The restricted stock awards under the 1996 plan are issued to non-employee directors who elect to receive restricted stock in lieu of the annual retainer payable quarterly in cash. In 1999, 1998, and 1997, 1,908, 1,894 and 3,177 shares were awarded at an average market price of \$13.31, \$13.06 and \$8.18, respectively. The charge against net earnings for director fees under the plan was \$25,180 \$26,234, and \$26,000 in 1999, 1998 and 1997, respectively.

Under the Company's 1995, 1992, 1990 and 1989 Stock Option and Restricted Stock Plans, a Committee of the Board of Directors is authorized to grant loans to option holders to purchase the shares of common stock upon the exercise of options. At December 31, 1999 and 1998, respectively, the outstanding notes receivable balance was \$2,768,551 and \$204,000. The notes were collateralized by 703,621 and 81,250 shares, respectively of the Company's common stock at December 31, 1999 and 1998. The notes bears interest at various annual rates of interest, payable annually, with principal payments due through December 2001. Outstanding loans for the exercise price of options are shown as a reduction of shareholders' equity on the balance sheet. Option holders also obtained loans from the Company related to the tax liability associated with exercising the options. At December 31, 1999, there were \$1.3 million of notes included in current assets and \$800,000 of notes in other long term assets.

15. Employee Benefit Plans

The Company has profit sharing and thrift employee benefit plans in effect for all eligible salaried employees. Company contributions under such plans are based upon a percentage of income with limitations as defined by the plans. Contributions amounted to approximately \$2,182,000, \$1,866,000, and \$1,650,000 in 1999, 1998 and 1997, respectively.

Certain employees are covered under union-sponsored collectively bargained defined benefit plans. Expenses for these plans amounted to approximately \$26,945,000, \$26,403,000, and \$23,883,000 in 1999, 1998 and 1997, respectively, as determined in accordance with negotiated labor contracts.

The Company also has a supplemental retirement and death benefit program. It was discontinued in 1988. The program provided for aggregate benefits at retirement or death equal to approximately twice the key employee's highest base salary. The benefits are paid out in equal monthly installments over 10 years for retirement or 15 years in the event of death. Benefits are reduced for early retirement. There are currently three active employee participants.

16. Major Customers

The Company had no single customer account for at least 10.0% of the Company's consolidated contract revenue in 1999. The Company had one customer that accounted for 12.7% and 17.3% of the Company's consolidated contract revenue in 1998 and 1997, respectively.

17. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair values of financial instruments: For cash and cash equivalents, accounts receivable and payable, accrued liabilities, and other assets and liabilities, the carrying amount approximates the fair value because of the short maturities of those instruments.

The variable-rate borrowings under the Company's bank term and revolving credit agreement, which is repriced frequently, approximate fair value. The fair value of long-term debt is estimated based on quoted market prices, when available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar financial instruments or discounting future cash flows. The difference between the fair value and the carrying value of the Company's long-term debt is not material.

18. Segment Reporting

The Company adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", during the fourth quarter of 1998. SFAS No. 131 established standards for reporting information about operating segments in annual financial statements and requires selected information about operating segments in interim financial reports issued to stockholders. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance.

The Company is engaged primarily in two segments: infrastructure services and commercial/industrial construction. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies except that the financial results have been prepared using a management approach. This approach is consistent with the basis and manner in which management internally disaggregates financial information for the purpose of assisting in making internal operating decisions and is exclusive of corporate selling, general and administrative expenses, net interest expense and other income. Identifiable assets include all assets directly identified with the reportable segments including retentions, accounts receivable, property, equipment and costs and estimated earnings in excess of billings on uncompleted contracts. Corporate assets include cash, deferred tax assets, and other assets that are

corporate in nature.

	Infrastructure Services Consolidated -----	Commercial and Industrial -----	Corporate and Other -----	Consolidated -----
1999				
Contract revenue	\$ 316,844	\$ 160,435	\$ -	\$ 477,279
Depreciation and amortization	4,210	42	416	4,668
Income before taxes	19,815	7,925	(12,520)	15,220
Segment assets	68,047	41,139	20,520	129,706
Capital expenditures	3,976	364	-	4,340
1998				
Contract revenue	249,482	209,861	-	459,343
Depreciation and amortization	4,069	280	216	4,565
Income before taxes	20,894	2,645	(10,608)	12,931
Segment assets	58,942	43,018	8,239	110,199
Capital expenditures	4,308	237	-	4,545
1997				
Contract revenue	234,280	196,996	-	431,276
Depreciation and amortization	4,646	685	249	5,580
Income before taxes	13,920	4,223	(8,225)	9,918
Segment assets	55,436	51,729	10,259	117,424
Capital expenditures	3,882	291	-	4,173

19. Extraordinary Item

During the current year, the Company recognized an extraordinary charge of \$572,000 or \$0.09 per share as a result of merger related costs pursuant to the December 21, 1999 Agreement and Plan of Merger.

20. Supplemental Quarterly Financial Information (Unaudited) (Dollars in thousands, except per share amounts)

	1999				
	Mar. 31	June 30	Sept. 30	Dec. 31	Year
Contract revenue	\$107,327	\$118,524	\$122,265	\$129,163	\$477,279
Gross profit	11,758	14,683	15,030	9,242	50,713
Net income before extraordinary item	1,762	3,439	4,080	(149)	9,132
Net income after extraordinary item	1,762	3,439	4,080	(721)	8,560
Earnings per share - basic	0.31	0.58	0.68	(0.04)	1.53
Earnings per share - basic after extraordinary item	0.31	0.58	0.68	(0.13)	1.44
Earnings per share - diluted	0.27	.51	0.60	(0.04)	1.34
Earnings per share - diluted after extraordinary item	0.27	.51	0.60	(0.13)	1.25
Dividends paid per share	0.375	0.375	0.375	0.375	0.15
Market price:					
High	12.00	18.00	22.50	29.50	29.50
Low	10.06	11.75	16.75	17.88	10.06

1998

	Mar. 31	June 30	Sept. 30	Dec. 31	Year
Contract revenue	\$110,671	\$109,666	\$122,282	\$116,724	\$459,343
Gross profit	8,929	11,053	12,224	13,014	45,220
Net income	1,082	2,071	2,285	2,450	7,888
Earnings per share - basic	0.20	0.37	0.40	0.43	1.40
Earnings per share - diluted	0.17	0.31	0.34	0.38	1.20
Dividends paid per share	0.035	0.035	0.035	0.035	0.14
Market price:					
High	12.81	14.25	16.88	12.88	16.88
Low	11.31	11.31	10.69	10.13	10.13

21. Contract Losses

Gross profit was adversely impacted by contract loss accruals on two projects during the year. Losses were recorded on one of these projects as a result of the Company incurring substantial costs to perform certain underground work in rock conditions that it did not anticipate at the time of the contract. Although the Company is seeking additional compensation related to certain of the costs incurred it has recognized no revenue to date against such costs. This contract is substantially complete. Losses were recorded on the second contract as a result of significant costs incurred and estimated to be incurred in excess of amounts of revenue currently agreed upon for the base contract price plus change orders, approved to date, to the contract. The Company has submitted change order requests for certain of these costs. While the Company anticipates making claims related to this contract, including claims to recover certain costs incurred and anticipated to be incurred, the Company has recorded no revenue related to such claims. The total of these losses on these two contracts amounted to \$10.3 million in 1999.

22. Pending Merger Agreement

On December 21, 1999, MYR Group, Inc. (the "Company"), GPX Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Parent ("Purchaser") and GPU, Inc. ("Parent") entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which, Purchaser commenced a cash tender offer (the "Offer"), to purchase all the issued and outstanding shares of common stock of the Company, \$0.01 par value per share (the "Shares"), at a price of \$30.10 per Share, net to the seller in cash, without interest thereon, subject to the terms and conditions of the Offer.

The transaction is subject to regulatory approval under the Public Utility Holding Company Act, to the satisfaction of certain other conditions, and also provides for the payment of a break-up fee.

The Company has entered into Change of Control Agreements with certain executives. These agreements provide that all outstanding stock options and restricted stock shall become immediately vested upon a change in control and the occurrence of one or more other conditions. Consummation of the pending merger will constitute a change of control for the purposes of these agreements. At December 31, 1999 there were 393,472 options and 219,166 shares of restricted stock covered by these agreements.

Effective December 21, 1999, the 3,338 non vested options held by non-employee directors became fully vested.

Item 9. Changes in and Disagreements with Independent Auditors on Accounting and Financial Disclosure.

The Company has no items to report under Item 9 of this report.

PART III

Item 10. Directors and Executive Officers of the Registrant

(a) Identification of Directors

Incorporated by reference from the Company's definitive proxy statement for use in conjunction with its annual meeting of stockholders under the caption "Election of Director".

(b) Identification of Executive Officers

The names and ages of the executive officers of the Company and their business experience during the past five years are set forth below:

Charles M. Brennan III (58)

Chairman (since August 1988) and Chief Executive Officer (since October 1989); Director (since 1986).

William S. Skibitsky (50)

President and Chief Operating Officer (since July 1996); Executive Vice President (May 1994-July 1996); President and Chief Operating Officer of The L.E. Myers Co. (Since May 1994).

Michael F. Knapp (53)

Group Vice President-Commercial and Industrial (since December 1998), Vice President and Program Director at Parsons Energy & Chemicals Group Inc. (1996-December 1998); Vice President, Regional Operations at International Technology Corporation (1994-1996).

Byron D. Nelson (53)

Senior Vice President, General Counsel and Secretary (since February 1986).

William A. Koertner (50)

Senior Vice President, Treasurer and Chief Financial Officer (since November 1998); Vice President at Central Illinois Public Service Company (1993-1998).

Item 11. Executive Compensation

Incorporated by reference from the Company's definitive proxy statement for use in connection with its annual meeting of stockholders under the caption "Executive Compensation".

Item 12. Security Ownership of Certain Beneficial Owners and Management

Incorporated by reference from the Company's definitive proxy statement for use in connection with its annual meeting of stockholders under the caption "Security Ownership".

Item 13. Certain Relationships and Related Transactions

Incorporated by reference from the Company's definitive proxy statement for use in connection with its annual meeting of stockholders under the captions "Executive Compensation" and "Compensation Committee Interlocks and Insider Participation".

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form

	Page ----
(a) 1. The following documents are included in Item 8:	
Responsibility for Financial Statements	15
Independent Auditors' Report	16
Financial Statements:	
Consolidated Balance Sheets - December 31, 1999 and 1998	17
Consolidated Statement of Income - Years Ended December 31, 1999, 1998 and 1997	18
Consolidated Statement of Shareholders' Equity Years Ended December 31, 1999, 1998, and 1997	19
Consolidated Statement of Cash Flows Years Ended December 31, 1999, 1998, and 1997	20
Notes to Financial Statements	21
2. All schedules are omitted because they are not applicable, not required, or the required information is included in the financial statements or notes thereto.	
(b) A report on Form 8-K was filed by the Company on December 22, 1999, describing the Agreement and Plan of Merger by and among GPU, Inc., GPX Acquisition Corp., and MYR Group, Inc.	
(c) Exhibits required to be filed by Item 601 of Regulation S-K are listed in the Exhibit Index which appear at pages 34 and 35 and which are incorporated by reference.	

SIGNATURES

In accordance with the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MYR GROUP INC.

/s/ William A. Koertner

 William A. Koertner
 Senior Vice President, Treasurer
 and Chief Financial Officer

Dated: March 29, 2000

In accordance with the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

(i) Principal Executive Officer:

/s/ Charles M. Brennan III

Charles M. Brennan III

Chairman and Chief
Executive Officer

(ii) Principal Financial Officer:

/s/ William A. Koertner

William A. Koertner

Senior Vice President,
Treasurer and Chief
Financial Officer

(iii) Principle Accounting Officer:

/s/ Greg R. Medici

Greg R. Medici

Group Controller

(iv) A Majority of the Board of Directors:

/s/ Charles M. Brennan III

Charles M. Brennan III

/s/ William G. Brown

William G. Brown

/s/ Allan E. Bulley, Jr.

Allan E. Bulley, Jr.

/s/ Bide L. Thomas

Bide L. Thomas

/s/ John M. Harlan

John M. Harlan

MYR GROUP INC

Annual Report on Form 10-K
For the Fiscal Year Ended December 31, 1999

Exhibit Index

Number	Description	Page (or Reference)
-----	-----	-----
2.1	Agreement and Plan of Merger by and among GPU, Inc., GPX Acquisition Corp. and the Company dated December 21, 1999	(1)
3.1	Amended and Restated Certificate of Incorporation of the Company	(2)
3.2	Bylaws of the Company (as amended)	(3)
4.1	Form of 7% Subordinated Convertible Escrow and Non-Escrow promissory notes of the Company to certain former stockholders of Harlan Electric Company	(4)
9.1	Change in Independent Auditors	(5)
10.1	Form of Agreement for Supplemental Retirement and Death Benefit Programs of the Company and its subsidiaries	(6)
10.2	Form of Agreement of Indemnification for Directors of the Company and certain officers of the Company and its subsidiaries	(7)
10.3	1989 Stock Option and Restricted Stock Plan	(8)
10.4	1990 Stock Option and Restricted Stock Plan	(8)
10.5	1992 Stock Option and Restricted Stock Plan	(8)
10.6	1995 Stock Option and Restricted Stock Plan	(8)
10.7	1993 Non-Employee Director Stock Option Plan	(9)

10.8	1996 Non-Employee Director Stock Ownership Plan	(10)
10.9	Management Incentive Program	(11)
10.10	Amended Employment Agreement between the Company and C. M. Brennan effective January 1,1997.	(12)
10.11	Change of Control Agreement with William S. Skibitsky	38
10.12	Change of Control Agreement with William A. Koertner	44
10.13	Change of Control Agreement with Michael F. Knapp	52
10.14	Change of Control Agreement with Byron D. Nelson	58
21	Subsidiaries of the Company	65
23	Independent Auditors' Consents	66
27	Financial Data Schedules	68
99.1	Report of Predecessor Auditors	69

-
- (1) Filed as exhibit (c)(1) to Schedule 14D-9 of the Company dated December 29, 1999, and incorporated herein by reference.
 - (2) Filed as exhibits 3.1 to the Annual Report on Form 10-K of the Company for the year ended December 31, 1995, and incorporated herein by reference.
 - (3) Filed as exhibits 3.2 to the Annual Report on Form 10-K of the Company for the year ended December 31, 1995, and incorporated herein by reference.
 - (4) Filed as exhibits E-1 and E-2 to the Merger Agreement by and among the Company, HMM Corporation and Harlan Electric Company dated October 5, 1994, as amended, which agreement and exhibits thereto were filed as exhibit 2 to the Report on Form 8-K of the Company dated January 3, 1995, and incorporated herein by reference.
 - (5) Filed as Report on Form 8-K of the Company, August 10, 1998, and incorporated herein by reference.
 - (6) Filed as exhibit 10.5 to the Annual Report on Form 10-K of the Company for the year ended December 31, 1984, and incorporated herein by reference.
 - (7) Filed as exhibit 10.8 to the Annual Report on Form 10-K of the Company for the year ended December 31, 1986, and incorporated herein by reference.
 - (8) Filed as Appendix B to the notice of meeting and proxy statement for use in connection with the Company's 1996 Annual Meetings of stockholders held on May 15, 1996.
 - (9) Filed as exhibit 10.6 to the Report on Form 10-K of the Company for the year ended December 31, 1993 and incorporated herein by reference.
 - (10) Filed as Appendix A to the notice of meetings and proxy statements for use in connection with the Company's 1996 Annual Meeting of stockholders held on May 15, 1996.
 - (11) Filed as exhibit 10.8 to the Annual Report on Form 10-K of the Company for the year ended December 31, 1995, and incorporated herein by reference.
 - (12) Filed as exhibit 10.10 to the Annual Report on Form 10-K of the Company for the year ended December 31, 1996, and incorporated herein by reference.

CHANGE OF CONTROL AGREEMENT

AGREEMENT by and between MYR Group, Inc. (the "Company") and William S. Skibitsky (the "Employee"), dated as of the 21st day of December, 1999.

The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Employee will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Term of Agreement. This Agreement shall terminate if a Change of Control Date (as hereinafter defined) does not occur on or before December 31, 2001.

2. Change of Control. For purposes of this Agreement, a "Change of Control" shall be defined as the occurrence of any of the following events:

(a) There is a report filed on Schedule 13D (or any successor schedule, form or report) as promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as generally in effect on the date hereof, disclosing that any person (as the term "person" is used in Section 13(d)(3) of the Exchange Act), other than Charles M. Brennan III, has become the beneficial owner (as the term "beneficial owner" is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of 20% or more of the issued and outstanding shares of voting securities of the Company; or

(b) The acquisition of 20% or more of the issued and outstanding shares of voting securities of the Company by any person which would otherwise require the filing of a report as described in (a) above.

3. Change of Control Date. For purposes of this Agreement, the "Change of Control Date" shall mean the first date during the term of this Agreement on which a Change of Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Employee that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, then for all purposes of this Agreement the "Change of Control Date" shall mean the date immediately prior to the date of such termination of employment.

4. Termination of Employment

(a) Good Cause. For purposes of this Agreement, "Good Cause" shall mean (i) the Employee's commission of a felony, (ii) the Employee's material breach of any of his obligations or duties, including the Employee's willful failure to substantially perform his duties other than as a result of his incapacity due to illness or injury, or (iii) the Employee's commission of a willful act, such as embezzlement, against the Company intended to enrich the Employee at

the expense of the Company. No termination for Good Cause may be effected under clause (ii) of the preceding sentence unless (a) the Company shall have given written notice to the Employee specifying with particularity the basis for the Company's decision to terminate the Employee's employment, and (b) the Employee shall have failed to cease or correct the performance (or nonperformance) which forms the basis for the Company's decision within 30 days following the date of the Company's written notice.

(b) Good Reason. For purposes of this Agreement, "Good Reason" shall mean any of the following which occurs without the written consent of the Employee:

(i) Any significant change in the nature of Employee's principal duties or any significant diminution in the Employee's status or responsibilities;

(ii) Any decrease in the Employee's salary or cash incentive opportunity below the level the Employee was earning at the time of a Change of Control;

(iii) The Company's failure to obtain the agreement of a successor entity to assume the obligations under this Agreement; or

(iv) The Company's requiring the Employee to be based in any location which would materially increase the Employee's commuting time.

(c) Disability. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

5. Notice of Termination. Any termination by the Company for Good Cause, or by the Employee for Good Reason, shall be communicated by a Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Good Cause shall not waive any right of the Employee or the Company, respectively, hereunder or preclude the Employee or the Company, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Company's rights hereunder.

6. Date of Termination. For purposes of this Agreement, "Date of Termination" means (a) if the Employee's employment is terminated by the Company for Good Cause, or by the Employee for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (b) if the Employee's employment is terminated by the Company other than for Good Cause, death or Disability, the date on which the Company notifies the Employee of such termination and (c) if the Employee's employment is terminated by reason of death or Disability, the date of death of the Employee or the date of the determination that the Employee's Disability is determined to be total and permanent, as the case may be.

7. Obligations of the Company upon Termination.

(a) Termination by Company Not for Good Cause; Resignation by Employee for Good Reason. If, on or within five years after a Change of Control Date, the Company shall terminate the Employee's employment other than for Good Cause, Disability or death, or the Employee shall terminate employment for Good Reason within five years

after the Change of Control Date, the Employee will receive, in addition to all benefits to which the Employee is legally entitled:

- (i) Acceleration of all unvested MYR stock option grants and MYR restricted stock awards or, at the sole discretion of MYR's Board of Directors, their cash equivalent;
- (ii) Any earned but unpaid bonus for the year preceding the year in which termination occurs;
- (iii) A pro-rated target bonus for the worked portion of the year in which termination occurs;
- (iv) One year of current salary (not lower than the Employee's salary on the Change of Control Date) and one year of target bonus;
- (v) One year of post-termination medical coverage on the same basis as if the Employee was a current employee;
- (vi) Reimbursement of legal expenses incurred, in accordance with Section 9, to enforce this Agreement; and
- (vii) In the event that any of the foregoing provisions of this Section 7 result in the receipt by the Employee of a "parachute payment" (as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code")), then the Company shall make an additional payment to the Employee in an amount in cash such that the amount of the after-tax proceeds of the Employee from the payments provided for in this Agreement, taking into account federal and state income and excise taxes, is equal to the amount of the after-tax proceeds the Employee would have received from the payments provided for in this Agreement had such payments not resulted in the receipt by the Employee of a parachute payment. The Employee agrees to give the Company prompt written notice of any claim by the Internal Revenue Service that any payments made pursuant to this Agreement result in the receipt by the Employee of a parachute payment. In such event the Company shall have the right to assume and control the defense of an such claim with counsel of its own selection. The Employee agrees to cooperate with the Company in connection with any defense of such claim.

In addition, for a period of 90 days following the thirtieth month anniversary of a Change of Control Date, the Employee may elect to terminate employment at the Employee's discretion provided that the Employee offers to continue employment at the request of the Company for a period of up to six months. In the event of such termination at the discretion of the Employee, the Employee shall receive items (i) through (vi) above. The Employee will also be entitled to receive all other benefits to which the Employee is entitled under the Company's various policies or plans or to which the Employee is otherwise legally entitled. Solely for purposes of the computation of benefits under this Agreement, payments made by the Company as the result of such a termination at the discretion of the Employee that are required to be taken into account with respect to the Employee under Section 280G(b)(2)(A)(ii) of the Code shall not, in the aggregate, exceed 2.99 times the Employee's "base amount" as that term is defined in Section 280G(b)(3) of the Code. If the limitation contained in the immediately preceding sentence applies, any reduction in payments will in no event affect the computation of payments hereunder which do not constitute "excess parachute payments" within the meaning of Section 280G(b) of the Code.

(b) Death. If the Employee dies during the term of this Agreement prior to the Change in Control Date, this Agreement shall terminate without further obligation of the Company to the Employee or his estate other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination, life insurance or death benefits that are provided under the Company's normal benefit plans and policies.

(c) Disability. If the Employee's employment shall be terminated during the term of this Agreement prior to the Change in Control Date by reason of the Employee's Disability, this Agreement shall terminate without further obligation of the Company to the Employee other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination benefits or disability benefits that are provided under the Company's normal benefit plans and policies.

(d) Good Cause; Other than for Good Reason. If, whether before or after a Change of Control Date, the Employee's employment shall be terminated for Good Cause, or if the Employee shall resign other than for Good Reason, this Agreement shall terminate without further obligation to the Employee other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination benefits that are provided under the Company's normal benefit plans and policies.

8. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Company and for which the Employee may qualify, nor, subject to Section 12(g), shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Company. Amounts which are vested benefits or which the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

9. Full Settlement; Legal Fees. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. In the event the Employee incurs legal fees and expenses in seeking to obtain any benefit under this Agreement and it is ultimately determined by a court of competent jurisdiction that the Employee is entitled to receive all or any part of such benefit, then the Company shall pay to the Employee the reasonable legal fees and expenses so incurred by the Employee.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Company and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Company, the Employee shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Company shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct

or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes this Agreement by operation of law, or otherwise.

12. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee: William S. Skibitsky
RFD 1357
Long Grove, IL 60047

If to the Company: MYR Group, Inc.
Three Continental Towers
1701 W. Golf Road, Suite 1012
Rolling Meadows, Illinois 60008-4007
Attention: Secretary

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) This Agreement represents the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior or contemporaneous oral or written negotiations, understandings and agreements between the parties hereto.

(e) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) The Employee's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Company may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason pursuant to Section 4(b) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) The Employee and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Employee and the Company, the employment of the Employee by the Company is "at will" and, prior to the Change of Control Date, the Employee's employment may be terminated by either the Employee or the Company at any time prior to the Change of Control Date, in which case the Employee shall have no further rights under this Agreement. From and after the Change of Control Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

William S. Skibitsky

MYR GROUP, INC.

By: _____

Its: _____

CHANGE OF CONTROL AGREEMENT

AGREEMENT by and between MYR Group, Inc. (the "Company") and William A. Koertner (the "Employee"), dated as of the 21st day of December, 1999.

The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Employee will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Term of Agreement. This Agreement shall terminate if a Change of Control Date (as hereinafter defined) does not occur on or before December 31, 2001.

2. Change of Control. For purposes of this Agreement, a "Change of Control" shall be defined as the occurrence of any of the following events:

(a) There is a report filed on Schedule 13D (or any successor schedule, form or report) as promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as generally in effect on the date hereof, disclosing that any person (as the term "person" is used in Section 13(d)(3) of the Exchange Act), other than Charles M. Brennan III, has become the beneficial owner (as the term "beneficial owner" is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of 20% or more of the issued and outstanding shares of voting securities of the Company; or

(b) The acquisition of 20% or more of the issued and outstanding shares of voting securities of the Company by any person which would otherwise require the filing of a report as described in (a) above.

3. Change of Control Date. For purposes of this Agreement, the "Change of Control Date" shall mean the first date during the term of this Agreement on which a Change of Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Employee that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, then for all purposes of this Agreement the "Change of Control Date" shall mean the date immediately prior to the date of such termination of employment.

4. Termination of Employment

(a) Good Cause. For purposes of this Agreement, "Good Cause" shall mean (i) the Employee's commission of a felony, (ii) the Employee's material breach of any of his obligations or duties, including the Employee's willful failure to substantially perform his duties other than as a result of his incapacity due to illness or injury, or (iii) the Employee's commission of a willful act, such as embezzlement, against the Company intended to enrich the Employee at

the expense of the Company. No termination for Good Cause may be effected under clause (ii) of the preceding sentence unless (a) the Company shall have given written notice to the Employee specifying with particularity the basis for the Company's decision to terminate the Employee's employment, and (b) the Employee shall have failed to cease or correct the performance (or nonperformance) which forms the basis for the Company's decision within 30 days following the date of the Company's written notice.

(b) Good Reason. For purposes of this Agreement, "Good Reason" shall mean any of the following which occurs without the written consent of the Employee:

(i) Any significant change in the nature of Employee's principal duties or any significant diminution in the Employee's status or responsibilities;

(ii) Any decrease in the Employee's salary or cash incentive opportunity below the level the Employee was earning at the time of a Change of Control;

(iii) The Company's failure to obtain the agreement of a successor entity to assume the obligations under this Agreement; or

(iv) The Company's requiring the Employee to be based in any location which would materially increase the Employee's commuting time.

(c) Disability. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

5. Notice of Termination. Any termination by the Company for Good Cause, or by the Employee for Good Reason, shall be communicated by a Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Good Cause shall not waive any right of the Employee or the Company, respectively, hereunder or preclude the Employee or the Company, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Company's rights hereunder.

6. Date of Termination. For purposes of this Agreement, "Date of Termination" means (a) if the Employee's employment is terminated by the Company for Good Cause, or by the Employee for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (b) if the Employee's employment is terminated by the Company other than for Good Cause, death or Disability, the date on which the Company notifies the Employee of such termination and (c) if the Employee's employment is terminated by reason of death or Disability, the date of death of the Employee or the date of the determination that the Employee's Disability is determined to be total and permanent, as the case may be.

7. Obligations of the Company upon Termination.

(a) Termination by Company Not for Good Cause; Resignation by Employee for Good Reason. If, on or within two years after a Change of Control Date, the Company shall terminate the Employee's employment other than for Good Cause, Disability or death, or the Employee shall terminate employment for Good Reason within two years after the Change

of Control Date, the Employee will receive, in addition to all benefits to which the Employee is legally entitled:

- (i) Acceleration of all unvested MYR stock option grants and MYR restricted stock awards or, at the sole discretion of MYR's Board of Directors, their cash equivalent;
- (ii) Any earned but unpaid bonus for the year preceding the year in which termination occurs;
- (iii) A pro-rated target bonus for the worked portion of the year in which termination occurs;
- (iv) Two years of current salary (not lower than the Employee's salary on the Change of Control Date, increased by the supplemental payments and relocation payments described in Exhibit A due during the two-year period following the employment termination) and two years of target bonus;
- (v) Two years of post-termination medical coverage on the same basis as if the Employee was a current employee;
- (vi) Reimbursement of legal expenses incurred, in accordance with Section 9, to enforce this Agreement;
- (vii) The benefits of the "Put Option" as described in that certain letter agreement dated June 30, 1999 between Employee and the Company; and
- (viii) In the event that the foregoing provisions of this Section 7 result in the receipt by the Employee of a parachute payment (as defined in Section 280G of the Internal Revenue Code of 1986, as amended), then the Company shall make an additional payment to the Employee in an amount in cash such that the amount of the after-tax proceeds of the Employee from the payments provided for in this Agreement, taking into account federal and state income and excise taxes, is equal to the amount of the after-tax proceeds the Employee would have received from the payments provided for in this Agreement had such payments not resulted in the receipt by the Employee of a parachute payment. The Employee agrees to give the Company prompt written notice of any claim by the Internal Revenue Service that any payments made pursuant to this Agreement result in the receipt by the Employee of a parachute payment. In such event the Company shall have the right to assume and control the defense of an such claim with counsel of its own selection. The Employee agrees to cooperate with the Company in connection with any defense of such claim.

If the Employee is terminated from employment more than two years but less than four years after a Change of Control Date for other than Good Cause, Disability or death, the Employee will receive items (i), (ii), (iii), (vi), (vii) and (viii) above, plus one year of current salary (not lower than the Employee's salary on the Change of Control Date, increased by the supplemental payments and relocation payments described in Exhibit A due during the one-year period following the employment termination), one year of target bonus and one year of medical coverage.

In addition, for a period of 90 days following the second anniversary of a Change of Control Date, the Employee may elect to terminate employment at the Employee's discretion provided that the Employee offers to continue employment at the request of the Company for a period of up to six months. In the event of such termination at the discretion of the Employee, the Employee shall receive items (i) through (vii) above. The Employee will also be entitled to receive all other benefits to which the Employee is entitled under the Company's various policies or plans or to which the Employee is otherwise legally entitled. Solely for purposes of the computation of benefits under this Agreement, payments made by the Company as the result of such a termination at the discretion of the Employee that are required to be taken into account with respect to the Employee under Section

280G(b)(2)(A)(ii) of the Code shall not, in the aggregate, exceed 2.99 times the Employee's "base amount" as that term is defined in Section 280G(b)(3) of the Code. If the limitation contained in the immediately preceding sentence applies, any reduction in payments will in no event affect the computation of payments hereunder which do not constitute "excess parachute payments" within the meaning of Section 280G(b) of the Code.

(b) Death. If the Employee dies during the term of this Agreement prior to the Change in Control Date, this Agreement shall terminate without further obligation of the Company to the Employee or his estate other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination, life insurance or death benefits that are provided under the Company's normal benefit plans and policies.

(c) Disability. If the Employee's employment shall be terminated during the term of this Agreement prior to the Change in Control Date by reason of the Employee's Disability, this Agreement shall terminate without further obligation of the Company to the Employee other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination benefits or disability benefits that are provided under the Company's normal benefit plans and policies.

(d) Good Cause; Other than for Good Reason. If, whether before or after a Change of Control Date, the Employee's employment shall be terminated for Good Cause, or if the Employee shall resign other than for Good Reason, this Agreement shall terminate without further obligation to the Employee other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination benefits that are provided under the Company's normal benefit plans and policies.

8. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Company and for which the Employee may qualify, nor, subject to Section 12(g), shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Company. Amounts which are vested benefits or which the Employee is otherwise entitled to receive under any plan, policy, practice or program or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

9. Full Settlement; Legal Fees. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. In the event the Employee incurs legal fees and expenses in seeking to obtain any benefit under this Agreement and it is ultimately determined by a court of competent jurisdiction that the Employee is entitled to receive all or any part of such benefit, then the Company shall pay to the Employee the reasonable legal fees and expenses so incurred by the Employee.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Company and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Company, the Employee shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event

shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Company shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes this Agreement by operation of law, or otherwise.

12. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee: William A. Koertner
58 S. Wynstone Dr.
Barrington, IL 60010

If to the Company: MYR Group, Inc.
Three Continental Towers
1701 W. Golf Road, Suite 1012
Rolling Meadows, Illinois 60008-4007
Attention: Secretary

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(a) This Agreement represents the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior or contemporaneous oral or written negotiations, understandings and agreements between the parties hereto.

(e) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) The Employee's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Company may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason pursuant to Section 4(b) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) The Employee and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Employee and the Company, the employment of the Employee by the Company is "at will" and, prior to the Change of Control Date, the Employee's employment may be terminated by either the Employee or the Company at any time prior to the Change of Control Date, in which case the Employee shall have no further rights under this Agreement. From and after the Change of Control Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

William A. Koertner

MYR GROUP, INC.

By: _____

Its: _____

EXHIBIT A

Date Payable -----	Supplemental Payment -----	Relocation Payment -----
February-00	3,750	
May	3,750	
July		11,104
August	3,750	
November	2,500	
February-01	2,500	
May	2,500	
July		8,328
August	2,500	
November	1,250	
February-02	1,250	
May	1,250	
July		5,552
August	1,250	
July-03		2,776

CHANGE OF CONTROL AGREEMENT

AGREEMENT by and between MYR Group, Inc. (the "Company") and Michael F. Knapp (the "Employee"), dated as of the 21st day of December, 1999.

The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Employee will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Term of Agreement. This Agreement shall terminate if a Change of Control Date (as hereinafter defined) does not occur on or before December 31, 2001.

2. Change of Control. For purposes of this Agreement, a "Change of Control" shall be defined as the occurrence of any of the following events:

(a) There is a report filed on Schedule 13D (or any successor schedule, form or report) as promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as generally in effect on the date hereof, disclosing that any person (as the term "person" is used in Section 13(d)(3) of the Exchange Act), other than Charles M. Brennan III, has become the beneficial owner (as the term "beneficial owner" is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of 20% or more of the issued and outstanding shares of voting securities of the Company; or

(b) The acquisition of 20% or more of the issued and outstanding shares of voting securities of the Company by any person which would otherwise require the filing of a report as described in (a) above.

3. Change of Control Date. For purposes of this Agreement, the "Change of Control Date" shall mean the first date during the term of this Agreement on which a Change of Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Employee that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, then for all purposes of this Agreement the "Change of Control Date" shall mean the date immediately prior to the date of such termination of employment.

4. Termination of Employment

(a) Good Cause. For purposes of this Agreement, "Good Cause" shall mean (i) the Employee's commission of a felony, (ii) the Employee's material breach of any of his obligations or duties, including the Employee's willful failure to substantially perform his duties other than as a result of his incapacity due to illness or injury, or (iii) the Employee's commission of a willful act, such as

embezzlement, against the Company intended to enrich the Employee at the expense of the Company. No termination for Good Cause may be effected under clause (ii) of the preceding sentence unless (a) the Company shall have given written notice to the Employee specifying with particularity the basis for the Company's decision to terminate the Employee's employment, and (b) the Employee shall have failed to cease or correct the performance (or nonperformance) which forms the basis for the Company's decision within 30 days following the date of the Company's written notice.

(b) Good Reason. For purposes of this Agreement, "Good Reason" shall mean any of the following which occurs without the written consent of the Employee:

(i) Any significant change in the nature of Employee's principal duties or any significant diminution in the Employee's status or responsibilities;

(ii) Any decrease in the Employee's salary or cash incentive opportunity below the level the Employee was earning at the time of a Change of Control;

(iii) The Company's failure to obtain the agreement of a successor entity to assume the obligations under this Agreement; or

(iv) The Company's requiring the Employee to be based in any location which would materially increase the Employee's commuting time.

(c) Disability. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

5. Notice of Termination. Any termination by the Company for Good Cause, or by the Employee for Good Reason, shall be communicated by a Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Good Cause shall not waive any right of the Employee or the Company, respectively, hereunder or preclude the Employee or the Company, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Company's rights hereunder.

6. Date of Termination. For purposes of this Agreement, "Date of Termination" means (a) if the Employee's employment is terminated by the Company for Good Cause, or by the Employee for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (b) if the Employee's employment is terminated by the Company other than for Good Cause, death or Disability, the date on which the Company notifies the Employee of such termination and (c) if the Employee's employment is terminated by reason of death or Disability, the date of death of the Employee or the date of the determination that the Employee's Disability is determined to be total and permanent, as the case may be.

7. Obligations of the Company upon Termination.

(a) Termination by Company Not for Good Cause; Resignation by Employee for Good Reason. If, on or within five years after a Change of Control Date, the Company shall terminate the Employee's employment other than for Good Cause, Disability or death, or the

Employee shall terminate employment for Good Reason within five years after the Change of Control Date, the Employee will receive, in addition to all benefits to which the Employee is legally entitled:

- (i) Acceleration of all unvested MYR stock option grants and MYR restricted stock awards or, at the sole discretion of MYR's Board of Directors, their cash equivalent;
- (ii) Any earned but unpaid bonus for the year preceding the year in which termination occurs;
- (iii) A pro-rated target bonus for the worked portion of the year in which termination occurs;
- (iv) One year of current salary (not lower than the Employee's salary on the Change of Control Date) and one year of target bonus;
- (v) One year of post-termination medical coverage on the same basis as if the Employee was a current employee;
- (vi) Reimbursement of legal expenses incurred, in accordance with Section 9, to enforce this Agreement; and

In addition, for a period of 90 days following the thirtieth month anniversary of a Change of Control Date, the Employee may elect to terminate employment at the Employee's discretion provided that the Employee offers to continue employment at the request of the Company for a period of up to six months. In the event of such termination at the discretion of the Employee, the Employee shall receive items (i) through (vi) above. The Employee will also be entitled to receive all other benefits to which the Employee is entitled under the Company's various policies or plans or to which the Employee is otherwise legally entitled.

For purposes of the computation of benefits under this Agreement, payments made by the Company as the result of such a termination that are required to be taken into account with respect to the Employee under Section 280G(b)(2)(A)(ii) of the Code shall not, in the aggregate, exceed 2.99 times the Employee's "base amount" as that term is defined in Section 280G(b)(3) of the Code. If the limitation contained in the immediately preceding sentence applies, any reduction in payments will in no event affect the computation of payments hereunder which do not constitute "excess parachute payments" within the meaning of Section 280G(b) of the Code.

(b) Death. If the Employee dies during the term of this Agreement prior to the Change in Control Date, this Agreement shall terminate without further obligation of the Company to the Employee or his estate other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination, life insurance or death benefits that are provided under the Company's normal benefit plans and policies.

(c) Disability. If the Employee's employment shall be terminated during the term of this Agreement prior to the Change in Control Date by reason of the Employee's Disability, this Agreement shall terminate without further obligation of the Company to the Employee other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination benefits or disability benefits that are provided under the Company's normal benefit plans and policies.

(d) Good Cause; Other than for Good Reason. If, whether before or after a Change of Control Date, the Employee's employment shall be terminated for Good Cause, or if the Employee shall resign other than for Good Reason, this Agreement shall terminate without further obligation to the Employee other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination benefits that are provided under the Company's normal benefit plans and policies.

8. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Company and for

which the Employee may qualify, nor, subject to Section 12(g), shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Company. Amounts which are vested benefits or which the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

9. Full Settlement; Legal Fees. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. In the event the Employee incurs legal fees and expenses in seeking to obtain any benefit under this Agreement and it is ultimately determined by a court of competent jurisdiction that the Employee is entitled to receive all or any part of such benefit, then the Company shall pay to the Employee the reasonable legal fees and expenses so incurred by the Employee.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Company and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Company, the Employee shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Company shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes this Agreement by operation of law, or otherwise.

12. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by

registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee: Michael F. Knapp
1220A Oak Hill Rd.
Lake Barrington Shores, IL 60010

If to the Company: MYR Group, Inc.
Three Continental Towers
1701 W. Golf Road, Suite 1012
Rolling Meadows, Illinois 60008-4007
Attention: Secretary

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(a) This Agreement represents the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior or contemporaneous oral or written negotiations, understandings and agreements between the parties hereto.

(e) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) The Employee's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Company may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason pursuant to Section 4(b) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) The Employee and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Employee and the Company, the employment of the Employee by the Company is "at will" and, prior to the Change of Control Date, the Employee's employment may be terminated by either the Employee or the Company at any time prior to the Change of Control Date, in which case the Employee shall have no further rights under this Agreement. From and after the Change of Control Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

Michael F. Knapp

MYR GROUP, INC.

By: _____

Its: _____

CHANGE OF CONTROL AGREEMENT

AGREEMENT by and between MYR Group, Inc. (the "Company") and Byron D. Nelson (the "Employee"), dated as of the 21st day of December, 1999.

The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Employee will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Term of Agreement. This Agreement shall terminate if a Change of Control Date (as hereinafter defined) does not occur on or before December 31, 2001.

2. Change of Control. For purposes of this Agreement, a "Change of Control" shall be defined as the occurrence of any of the following events:

(a) There is a report filed on Schedule 13D (or any successor schedule, form or report) as promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as generally in effect on the date hereof, disclosing that any person (as the term "person" is used in Section 13(d)(3) of the Exchange Act), other than Charles M. Brennan III, has become the beneficial owner (as the term "beneficial owner" is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of 20% or more of the issued and outstanding shares of voting securities of the Company; or

(b) The acquisition of 20% or more of the issued and outstanding shares of voting securities of the Company by any person which would otherwise require the filing of a report as described in (a) above.

3. Change of Control Date. For purposes of this Agreement, the "Change of Control Date" shall mean the first date during the term of this Agreement on which a Change of Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Employee that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, then for all purposes of this Agreement the "Change of Control Date" shall mean the date immediately prior to the date of such termination of employment.

4. Termination of Employment

(a) Good Cause. For purposes of this Agreement, "Good Cause" shall mean (i) the Employee's commission of a felony, (ii) the Employee's material breach of any of his obligations or duties, including the Employee's willful failure to substantially perform his duties other than as a result of his incapacity due to illness or injury, or (iii) the Employee's commission of a willful act, such as embezzlement, against the Company intended to enrich the Employee at the expense of the Company. No termination for Good Cause may be

effected under clause (ii) of the preceding sentence unless (a) the Company shall have given written notice to the Employee specifying with particularity the basis for the Company's decision to terminate the Employee's employment, and (b) the Employee shall have failed to cease or correct the performance (or nonperformance) which forms the basis for the Company's decision within 30 days following the date of the Company's written notice.

(b) Good Reason. For purposes of this Agreement, "Good Reason" shall mean any of the following which occurs without the written consent of the Employee:

(i) Any significant change in the nature of Employee's principal duties or any significant diminution in the Employee's status or responsibilities;

(ii) Any decrease in the Employee's salary or cash incentive opportunity below the level the Employee was earning at the time of a Change of Control;

(iii) The Company's failure to obtain the agreement of a successor entity to assume the obligations under this Agreement; or

(iv) The Company's requiring the Employee to be based in any location which would materially increase the Employee's commuting time.

(c) Disability. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

5. Notice of Termination. Any termination by the Company for Good Cause, or by the Employee for Good Reason, shall be communicated by a Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Good Cause shall not waive any right of the Employee or the Company, respectively, hereunder or preclude the Employee or the Company, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Company's rights hereunder.

6. Date of Termination. For purposes of this Agreement, "Date of Termination" means (a) if the Employee's employment is terminated by the Company for Good Cause, or by the Employee for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (b) if the Employee's employment is terminated by the Company other than for Good Cause, death or Disability, the date on which the Company notifies the Employee of such termination and (c) if the Employee's employment is terminated by reason of death or Disability, the date of death of the Employee or the date of the determination that the Employee's Disability is determined to be total and permanent, as the case may be.

7. Obligations of the Company upon Termination.

(a) Termination by Company Not for Good Cause; Resignation by Employee for Good Reason. If, on or within two years after a Change of Control Date, the Company shall terminate the Employee's employment other than for Good Cause, Disability or death, or the Employee shall terminate employment for Good Reason within two years after the Change of Control Date, the Employee will receive, in addition to all benefits

to which the Employee is legally entitled:

- (i) Acceleration of all unvested MYR stock option grants and MYR restricted stock awards or, at the sole discretion of MYR's Board of Directors, their cash equivalent;
- (ii) Any earned but unpaid bonus for the year preceding the year in which termination occurs;
- (iii) A pro-rated target bonus for the worked portion of the year in which termination occurs;
- (iv) Two years of current salary (not lower than the Employee's salary on the Change of Control Date) and two years of target bonus;
- (v) Two years of post-termination medical coverage on the same basis as if the Employee was a current employee;
- (vi) Reimbursement of legal expenses incurred, in accordance with Section 9, to enforce this Agreement; and
- (vii) In the event that the foregoing provisions of this Section 7 result in the receipt by the Employee of a parachute payment (as defined in Section 280G of the Internal Revenue Code of 1986, as amended), then the Company shall make an additional payment to the Employee in an amount in cash such that the amount of the after-tax proceeds of the Employee from the payments provided for in this Agreement, taking into account federal and state income and excise taxes, is equal to the amount of the after-tax proceeds the Employee would have received from the payments provided for in this Agreement had such payments not resulted in the receipt by the Employee of a parachute payment. The Employee agrees to give the Company prompt written notice of any claim by the Internal Revenue Service that any payments made pursuant to this Agreement result in the receipt by the Employee of a parachute payment. In such event the Company shall have the right to assume and control the defense of an such claim with counsel of its own selection. The Employee agrees to cooperate with the Company in connection with any defense of such claim.

If the Employee is terminated from employment more than two years but less than four years after a Change of Control Date for other than Good Cause, Disability or death, the Employee will receive items (i), (ii), (iii), (vi) and (vii) above, plus one year of current salary (not less than the Employee's salary on the Change of Control Date), one year of target bonus and one year of medical coverage.

In addition, for a period of 90 days following the second anniversary of a Change of Control Date, the Employee may elect to terminate employment at the Employee's discretion provided that the Employee offers to continue employment at the request of the Company for a period of up to six months. In the event of such termination at the discretion of the Employee, the Employee shall receive items (i) through (vi) above. The Employee will also be entitled to receive all other benefits to which the Employee is entitled under the Company's various policies or plans or to which the Employee is otherwise legally entitled. Solely for purposes of the computation of benefits under this Agreement, payments made by the Company as the result of such a termination at the discretion of the Employee that are required to be taken into account with respect to the Employee under Section 280G(b)(2)(A)(ii) of the Code shall not, in the aggregate, exceed 2.99 times the Employee's "base amount" as that term is defined in Section 280G(b)(3) of the Code. If the limitation contained in the immediately preceding sentence applies, any reduction in payments will in no event affect the computation of payments hereunder which do not constitute "excess parachute payments" within the meaning of Section 280G(b) of the Code.

(b) Death. If the Employee dies during the term of this Agreement prior to the Change in Control Date, this Agreement shall terminate without further obligation of the Company to the Employee or

his estate other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination, life insurance or death benefits that are provided under the Company's normal benefit plans and policies.

(c) Disability. If the Employee's employment shall be terminated during the term of this Agreement prior to the Change in Control Date by reason of the Employee's Disability, this Agreement shall terminate without further obligation of the Company to the Employee other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination benefits or disability benefits that are provided under the Company's normal benefit plans and policies.

(d) Good Cause; Other than for Good Reason. If, whether before or after a Change of Control Date, the Employee's employment shall be terminated for Good Cause, or if the Employee shall resign other than for Good Reason, this Agreement shall terminate without further obligation to the Employee other than the obligation to pay any compensation or benefits that have been earned but not paid on the Date of Termination, and any post-termination benefits that are provided under the Company's normal benefit plans and policies.

8. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Company and for which the Employee may qualify, nor, subject to Section 12(g), shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Company. Amounts which are vested benefits or which the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

9. Full Settlement; Legal Fees. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. In the event the Employee incurs legal fees and expenses in seeking to obtain any benefit under this Agreement and it is ultimately determined by a court of competent jurisdiction that the Employee is entitled to receive all or any part of such benefit, then the Company shall pay to the Employee the reasonable legal fees and expenses so incurred by the Employee.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Company and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Company, the Employee shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Company shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes this Agreement by operation of law, or otherwise.

12. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee: Byron D. Nelson
629 W. Gartner Road
Naperville, IL 60540

If to the Company: MYR Group, Inc.
Three Continental Towers
1701 W. Golf Road, Suite 1012
Rolling Meadows, Illinois 60008-4007
Attention: President

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(a) This Agreement represents the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior or contemporaneous oral or written negotiations, understandings and agreements between the parties hereto.

(e) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) The Employee's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Company may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason pursuant to Section 4(b) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) The Employee and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Employee and the Company, the employment of the Employee by the Company is "at will" and, prior to the Change of Control Date, the Employee's employment may be terminated by either the Employee or the Company at any time prior to the Change of Control Date, in which case the Employee shall have no further rights under this Agreement. From and after the Change of Control Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

Byron D. Nelson

MYR GROUP, INC.

By: _____

Its: _____

MYR Group Inc.

List of Subsidiaries

The Company's significant subsidiaries are:

Name of Corporation or other entity -----	State or Jurisdiction of Organization -----	Percentage of Interest -----
The L. E. Myers Co.	Delaware	100%
Hawkeye Construction, Inc.	Oregon	100%
Harlan Electric Company	Michigan	100%
D.W. Close Company Inc.	Washington	100%
Sturgeon Electric Company, Inc.	Michigan	100%(1)
Power Piping Company	Pennsylvania	100%(1)
ComTel Technologies, Inc.	Colorado	100%
MYRcom, Inc.	Delaware	100%

(1) wholly owned subsidiary of Harlan Electric Company

Exhibit 21

INDEPENDENT AUDITORS' CONSENT

Board of Directors and Shareholders
MYR Group Inc.

We consent to the incorporation by reference in Registration Statement Nos. 33-31305, 33-36557, 33-53628, 33-76722 and 333-41065 of MYR Group Inc. on Form S-8 of our report dated March 27, 2000, with respect to the consolidated financial statements of MYR Group Inc. included in the Annual Report (Form 10-K) for the year ended December 31, 1999.

ERNST & YOUNG LLP

Chicago, Illinois
March 27, 2000

Exhibit 23

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INDEPENDENT AUDITORS' CONSENT

Board of Directors and Shareholders
MYR Group Inc.

We consent to the incorporation by reference in Registration Statement Nos. 33-31305, 33-36557, 33-53628, 33-76722 and 333-41065 of MYR Group Inc. on Form S-8 of our report dated March 18, 1998 appearing in Exhibit 99.1 in the Annual Report on Form 10-K of MYR Group Inc. for the year ended December 31, 1999.

Deloitte & Touche LLP
Chicago, Illinois
March 29, 2000

Exhibit 23

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MYR GROUP INC.

INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholders
MYR Group Inc.:

We have audited the accompanying consolidated balance sheet of MYR Group Inc. and subsidiaries as of December 31, 1997, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the two years in the period ended December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of MYR Group Inc. and subsidiaries at December 31, 1997 and the results of their operations and their cash flows for each of the two years in the period ended December 31, 1997 in conformity with generally accepted accounting principles.

Deloitte & Touche LLP
Chicago, Illinois
March 18, 1998

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<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		1,020
<INCOME-PRETAX>		15,220
<INCOME-TAX>		6,088
<INCOME-CONTINUING>		9,132
<DISCONTINUED>		0
<EXTRAORDINARY>		(572)
<CHANGES>		0
<NET-INCOME>		8,560
<EPS-BASIC>		1.53
<EPS-DILUTED>		1.34