SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

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

For fiscal year ended December 31, 1998

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, $1 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 x No____

The aggregate market value of the registrant's Common Stock, $1 par value, held by non-affiliates of the registrant as of March 8, 1999, was $49,062,334 based on the closing price on that date on the New York Stock Exchange. As of March 8, 1999, 5,749,900 shares of the registrant's Common Stock, $1 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 to be held May 10, 1999 are incorporated by reference into Part III of this annual report.

Table of Contents
and Cross-Reference Sheet

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"), 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 Technology, Inc., ("ComTel") a Colorado Corporation is a wholly owned subsidiary of Sturgeon. ComTel was organized in 1983 and its principal place of business is Broomfield, Colorado. The Company acquired D.W. Close on May 1, 1997. 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, 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 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 44.4% of its consolidated contract revenues and its single largest customer accounted for 10.2% 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 1998 the Company's ten largest customers accounted for 47.1% of annual revenues. The Company's single largest customer during 1998 accounting for 12.7% 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. Lump sum or unit price contracts have accounted for the larger portion of the Company's contract revenues in recent years. Such contracts typically place greater risks on the Company than do cost-plus contracts. 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 $140.1 million at December 31, 1998, compared to $136.4 million at December 31, 1997. 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, 1998 backlog will be completed in 1999.

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. 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, 1998, the Company had approximately 355 salaried employees including executive officers, district managers, project managers, superintendents, estimators, office managers, and staff and clerical personnel. The Company also employed approximately 3,300 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 4,000 hourly-rated employees working on various construction projects in 1998. 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.

Item 2. Properties

Construction Equipment

The Company owns a substantial amount of construction equipment. This equipment, which at December 31, 1998 had an aggregate cost of $47.3 million and a 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 1998 totaled approximately $159,000.

The Company owns land which at December 31, 1998 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, 1998, contained approximately 131,000 square feet of enclosed space. Rentals for such property in 1998 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
1998	$4,545,000
1997	$4,173,000
1996	$5,293,000

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, 1998.

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 8, 1999 there were 748 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 (1)	Dividends Declared (1)
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
December 31, 1997	$12.44 - $14.85	$.033
September 30, 1997	10.50 - 14.18	.033
June 30, 1997	6.98 - 10.99	.033
March 31, 1997	7.20 - 8.40	.033

(1) The stock price range and dividends declared reflect a five-for-three stock split in the form of a stock dividend on December 15, 1997.

Item 6. Selected Financial Data

CONTINUING OPERATIONS

(Dollars in thousands except per share amounts)

Years ended December 31		1998	1997	1996	1995	1994
FOR THE YEAR	Contract revenue	$459,343	$431,276	$310,577	$266,965	$86,842
	Income	7,888	5,951	3,968	3,429	2,329
	Depreciation and Amortization	4,565	5,580	6,091	6,189	3,191
	Capital expenditures	4,545	4,173	5,293	4,959	4,449
	Interest expense	2,160	1,720	1,826	1,772	99
AT YEAR END	Backlog	$140,100	$136,400	$134,900	$ 69,100	$28,200
	Working capital	30,176	22,598	14,171	15,490	8,595
	Property (net)	16,102	16,891	22,239	23,144	14,652
	Total assets	110,199	117,424	98,486	101,834	39,644
	Total long-term debt	6,614	7,784	8,995	14,590	318
	Shareholders' equity	39,348	31,078	29,570	26,618	23,622
	Shares outstanding	5,699	5,488	5,395	5,303	5,287
PER SHARE DATA	Income					
	Basic	$ 1.40	$ 1.09	$ .74	$ .65	$ .44
	Diluted	1.20	.87	.62	.55	.42
	Book value	6.90	5.66	5.48	5.02	4.47
	Stock price range					
	Low	10.13	6.98	6.00	4.78	4.39
	High	16.88	14.85	7.73	7.15	6.13
	Cash dividends	.1400	.1320	.1200	.1091	.0990

NOTES:
1. Selected financial data for 1998, 1997, 1996 and 1995 includes Harlan Electric Company since the January 3, 1995 date of acquisition. The 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.

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

Results of Operations

Continuing Operations

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 is 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.

Revenues increased 38.9% to $431.3 million in 1997 from $310.6 million in 1996. The 1997 increase in revenues was due to a higher volume of commercial and industrial services, an increase in line work in California and the D.W. Close acquisition described in Note 2 to the Financial Statements. The commercial and industrial services include a major electrical job for a hotel and casino in Nevada that did not have significant revenue until the fourth quarter of 1996. The increase is also a result of the Company's success at capitalizing on the rapidly growing trend by its customers to outsource their electrical, telecommunication, facility management and mechanical construction and service requirements.

The use of alliances, primarily with our electrical utility customers, continued in 1998. In 1998 alliances accounted for $126 million of revenues versus $121 million of revenues in 1997. Clients use alliances to award some or all of their construction requirements to one or more preferred contractors at negotiated prices.

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. This type of work generally involves lower financial risk, therefore frequently generates lower margins. 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. Based on its reorganized management team and excellent client relationships, it is expected to be profitable in 1999.

Gross profit increased 25.3% to $39.7 million in 1997 from $31.6 million in 1996 due primarily to the growth in revenues. The gross profit percentage decreased to 9.2% in 1997, compared to 10.2% in 1996 due, in large part, to a greater percent of our commercial and industrial revenues coming from a significant cost-plus fixed-fee job.

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 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.

Selling, general and administrative expenses increased 19.2% to $28.2 million in 1997 from $23.6 million in 1996. The increase reflects the inclusion of D.W. Close, additional compensation costs to support the higher volume of work, additional incentive compensation and profit sharing accruals as a result of higher profit levels and additional legal accruals on miscellaneous claims. Selling, general and administrative expenses as a percentage of revenues decreased to 6.5% in 1997 from 7.6% in 1996 due to higher consolidated revenue volume spread over a relatively fixed expense base.

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.

Net interest expense was $1.7 million in 1997 compared to $1.8 million in 1996. Interest expense decreased in 1997 primarily due to the decrease in term debt used to acquire Harlan.

Gains recognized from sales of property and equipment were $550,000 and $668,000 in 1998 and 1996, respectively, compared to losses recognized from sales of property and equipment of $76,000 in 1997. 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 and the sale of a facility as a result of consolidating operations. The loss in 1997 was primarily due to the sale and disposal of obsolete and damaged equipment as a result of the program initiated to modernize the equipment fleet.

Net other income was $175,000 in 1998 compared to net other income of $178,000 in 1997 and to net other expenses of $483,000 in 1996. 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 was $5.0 million in 1998, $4.0 million in 1997 and $2.4 million in 1996. As a percentage of income the effective rate was 39.0% for 1998, 40.0% for 1997 and 38.0% for 1996.

The Company's backlog was $140.1 million at December 31, 1998, $136.4 million at December 31, 1997 and $134.9 million at December 31, 1996. Substantially all of the current backlog will be completed within twelve months.

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. In 1996, the Company recorded additional amounts, primarily legal expenses related to the National Union lawsuit, which resulted in additional losses of $530,000, net of income tax benefits of $325,000. See Note 5 to the Financial Statements.

Liquidity and Capital Resources

The Company's financial condition continues to be strong at December 31, 1998 with working capital of $30.2 million as compared to $22.6 million in 1997 and $14.2 million in 1996. The Company's debt to equity ratio decreased to 26.8% at December 31, 1998 from 40.6% and 31.2% at December 31, 1997 and 1996, respectively. Working capital increased in 1998 mainly as a result of strong operating results that were used to reduce line of credit borrowings. Working capital increased in 1997 primarily due to the cash received from the National Union settlement (see Note 5 to the Financial Statements), acquisition of D.W. Close and the increase in accounts receivable as a result of the higher volume of work.

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, 1998, the balance of the promissory notes to the seller was $1.6 million.

The Company has a $20 million revolving credit facility (see Note 8 to the Financial Statements). As of December 31, 1998 there was $6.9 million outstanding under the revolver facility. The Company has outstanding letters of credit with banks totaling $4.7 million, of which $4.2 million guarantee the Company's payment obligations under its insurance programs and $512,000 is a credit enhancement for an industrial revenue bond. The Company anticipates that its credit facility, cash balances and internally generated cash flows will continue to be sufficient to fund operations, capital expenditures 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 has authorized the purchase of up to 555,556 shares of its common stock. In 1998, purchases under this program totaled 19,494 shares at a cost of $248,000. No purchases were made in 1997 or 1996. At December 31, 1998 the balance available under the Board of Directors' authorization to purchase shares was 238,248.

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.

Cash flows from operations were $3.8 million in 1997 compared to $14.1 million in 1996. This decrease is primarily the result of the increase in accounts receivable, offset by the proceeds received in the settlement of the National Union lawsuit (see Note 5 to the Financial Statements). The accounts receivable increase is primarily a result of the increase in the volume of work and due to an increase in retentions outstanding on a major hotel and casino project in Nevada.

Capital expenditures were $4.5 million in 1998, compared to $4.2 million in 1997 and $5.1 million in 1996. Capital expenditures during these periods were used for normal property and equipment additions, replacements and upgrades. The Company plans to spend approximately $5.5 million on capital improvements in 1999. 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 in 1997 also included $241,000 for the acquisition of D.W. Close (see Note 2 to the Financial Statements). Cash flows were generated from the disposal of equipment and the sale of a duplicate facility amounting to $1.5 million in 1998 and from the disposal of property and equipment amounting to $404,000 in 1997.

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.

During 1997, the Company had $3.4 million of net proceeds from issuance of long-term debt compared to repayments on its long-term debt of $10.6 million in 1996. The 1997 additional proceeds result from increases in the revolving credit facility to fund working capital needs for the higher volume of work, offset by scheduled paydowns in the term loan and proceeds received in the settlement of the National Union lawsuit. The 1996 repayments include approximately $7.5 million in unscheduled reductions of line of credit borrowings. As noted above, improvements in the net underbillings and proceeds from sales of property and equipment were significant factors that contributed to the Company's ability to make these additional debt repayments in 1996.

Cash flows for dividends were $791,000, $725,000, and $643,000 in 1998, 1997 and 1996, 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 fail or create erroneous results. The extent of the potential impact of the Year 2000 problem is not yet known, and if not timely corrected, it could affect the global economy.

State of Readiness

In 1997, the Company established an organization wide project to identify non-compliant items, formulate corrective actions and to implement these changes to mitigate the year 2000 issue. The Company has identified three categories of components that require attention:

1. Information technology ("IT") systems, such as mainframes, midranges, personal computers, software and networks
2. Non-IT systems such as equipment, machinery, climate control, security and telephone systems, which may contain micro-controllers with embedded technology
3. Third party IT and Non-IT systems

The table below summarizes the estimated completion percentages of the three categories and stages that are being undertaken to mitigate the Year 2000 issue.

	Identification of material items	Formulation of corrective actions	Implementation of corrective actions	Planned Completion
IT systems	100%	95%	90%	September, 1999
Non-IT systems	80%	80%	65%	September, 1999
Third party systems	100%	90%	80%	September, 1999

Although the Company has contacted its major suppliers to determine their readiness regarding the Year 2000 issue and has been assured that they are working to mitigate its effects, the Company has no way of determining what level of compliance they will attain by the year 2000. The Company is currently in the process of contacting its major customers to evaluate their planned level of compliance. Upon receiving the responses, the Company will formulate corrective actions. There is no guarantee that systems of other companies on which the Company's systems rely will be timely converted and would not have an adverse effect on the Company's systems.

If all material components are not identified or all appropriate corrective actions are not taken or are not completed in a timely manner, the Year 2000 issue could have a material impact on the operations of the Company.

Year 2000 Costs

Costs related to the Year 2000 issue are funded through operating cash flows and are being expensed as incurred. As of December 1998, the Company has 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. Based upon the Company's investigations to date, it estimates the total costs related to the Year

2000 issue would be immaterial. A number of other upgrades have been made to systems in the normal course of business that mitigate Year 2000 issues. This amount may vary substantially as the Company continues to evaluate items associated with the Year 2000 issue.

Year 2000 Risks

The most reasonably likely worst case scenario for the Company is the failure of a supplier to be Year 2000 compliant such that its supply of needed products or services is interrupted temporarily. This could result in the Company not being able to fulfill its obligation on a construction contract, which could cause lost sales and profits and possibly additional exposure for non-performance and damage claims.

Year 2000 Contingency Plans

The Company is currently evaluating business disruption scenarios, coordinating the establishment of Year 2000 contingency plans and identifying and implementing preemptive strategies. Detailed contingency plans for critical business processes will be developed by September 1999.

The costs of the project and the date on which the Company believes it will complete the Year 2000 project are based on management's best estimates, which were derived utilizing numerous assumptions and future events, including the continued availability of certain resources and other factors. However, there can be no guarantee that these estimates will be achieved and actual results could differ materially from those anticipated. Specific factors that might cause such material differences include, but are not limited to, the availability and cost of personnel trained in this area, the ability to locate and correct all relevant codes, the level of compliance by key suppliers and customers, and similar uncertainties.

New Accounting Pronouncements

In 1997, the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 97-3, "Accounting by Insurance and Other Enterprises for Insurance Related Assessments." The SOP provides guidance on the recognition, measurement, and disclosure of liabilities for certain insurance-related assessments as well as certain related assets. This SOP is effective for years beginning after December 15, 1999. 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.

In 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." SOP 98-1 provides guidance on accounting for the costs of computer software developed or obtained for internal use. This SOP is effective for financial statements for fiscal years beginning after December 15, 1998. 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.

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, 1999. 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.

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, 1998. Holding all other variables constant, the hypothetical adverse changes would not materially affect the Company's financial position.

Item 8. Financial Statements

Index to Financial Statements

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 1998 consolidated financial statements of the Company. Their report is presented on page 17. Their audit includes 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 audit 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 sheet of MYR Group Inc. and subsidiaries, as of December 31, 1998 and the related consolidated statements of income, shareholders' equity and cash flows for the year 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 balance sheets of MYR Group Inc., as of December 31, 1997 and 1996 and the related consolidated statements of income, shareholders' equity and cash flows for years ended December 31, 1997 and 1996 were audited by other auditors whose report dated March 18, 1998, expressed an unqualified opinion on the statements.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the 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, 1998 and the consolidated results of their operations and their cash flows for the year then ended, in conformity with generally accepted accounting principles.

Ernst & Young LLP
Chicago, Illinois
March 17, 1999

MYR GROUP INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands except per share amounts)

December 31	1998	1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,372	$ 3,757
Accounts receivable (Note 3)	68,112	75,414
Costs and estimated earnings in excess of billings on uncompleted contracts (Note 4)	17,092	14,919
Deferred income taxes (Note 10)	6,153	5,322
Other current assets	239	587
Total current assets	92,968	99,999
Property and equipment-net (Notes 2, 6 and 8)	16,102	16,891
Other assets	1,129	534
Total assets	$ 110,199	$ 117,424
LIABILITIES		
Current liabilities:		
Current maturities of long-term debt (Note 8)	$ 7,813	$ 13,462
Accounts payable	14,135	19,727
Billings in excess of costs and estimated earnings on uncompleted contracts (Note 4)	9,448	9,183
Accrued liabilities (Note 9)	31,396	35,029
Total current liabilities	62,792	77,401
Long-term liabilities:		
Long-term debt (Note 8)	6,614	7,784
Deferred compensation	393	415
Deferred income taxes (Notes 2 and 10)	1,052	746
Total liabilities	70,851	86,346
SHAREHOLDERS' EQUITY		
Common stock - par value $1 per share; authorized 10,000,000 shares; issued 5,698,892 shares	5,699	5,582
Additional paid-in capital (Note 2)	1,310	-
Common stock held in treasury, at cost: 1997- 94,131 shares (Note 12)	-	(522)
Retained earnings (Note 2)	34,335	27,238
Restricted stock awards and shareholder note receivable (Note 14)	(1,996)	(1,220)
Total shareholders' equity	39,348	31,078
Total liabilities and shareholders' equity	$ 110,199	$ 117,424

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

MYR GROUP INC.
CONSOLIDATED STATEMENT OF INCOME
(Dollars in thousands except per share amounts)

Years ended December 31	1998	1997	1996
Contract revenue	$ 459,343	$ 431,276	$ 310,577
Contract cost	414,123	391,616	278,936
Gross profit	45,220	39,660	31,641
Selling, general and administrative expenses	30,885	28,164	23,623
Income from operations	14,335	11,496	8,018
Other income (expense)			
Interest income	31	40	23
Interest expense	(2,160)	(1,720)	(1,826)
Gain (loss) on sale of property and equipment	550	(76)	668
Other	175	178	(483)

Income from continuing operations before income taxes	12,931	9,918	6,400
Income tax expense (Note 10)	5,043	3,967	2,432
Income from continuing operations	7,888	5,951	3,968
Gain (loss) from discontinued operations (Note 5)	-	602	(530)
Net income	$ 7,888	$ 6,553	$ 3,438
EARNINGS PER SHARE			
Earnings per share (Note 13) - Basic:			
Income from continuing operations	$ 1.40	$ 1.09	$ .74
Gain (loss) from discontinued operations	-	.11	(.10)
Net income	$ 1.40	$ 1.20	$ .64
Earnings per share (Note 13) - Diluted:			
Income from continuing operations	$ 1.20	$ .87	$ .62
Gain (loss) from discontinued operations	-	.09	(.08)
Net income	$ 1.20	$ .96	$ .54

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, 1996, 1997 and 1998

	Common Stock Issued	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Restricted Stock Awards and Shareholder Note Receivable	Total
Balance January 1, 1996	$ 3,350	$ 5,898	$ (1,548)	$ 19,326	$ (408)	$ 26,618
Issuance of 12,222 common shares upon exercise of stock options		(21)	68			47
Issuance of 78,783 common shares for restricted stock awards		88	437		(525)	-
Amortization of unearned restricted stock awards					42	42
Net income				3,438		3,438
Dividends paid				(643)		(643)
Shareholder note payment					68	68
Balance December 31, 1996	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

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	1998	1997	1996
CASH FLOWS FROM OPERATIONS	Net income	$ 7,888	$ 6,553	$ 3,438
	Adjustments to reconcile net income to cashflows from continuing operations:			
	Discontinued operations	-	(602)	530
	Depreciation and amortization	4,349	5,331	5,834
	Amortization of intangibles	-	107	215
	Amortization of unearned stock awards	216	142	42
	Deferred income taxes	(525)	(66)	(108)
	(Gain) loss on sale of property and equipment	(550)	76	(668)
	Changes in operating assets and liabilities; net of acquisition:			
	Accounts receivable	7,302	(15,810)	(2,394)
	Costs and estimated earnings in excess of billings on uncompleted contracts	(2,173)	(2,796)	4,091
	Other assets	(248)	823	(163)
	Accounts payable	(5,592)	58	3,835
	Billings in excess of costs and estimated earnings on uncompleted contracts	265	3,679	462
	Insurance accruals	(1,253)	2,961	(893)
	Other liabilities	(2,380)	907	447
	Cash flows from continuing operations	7,299	1,363	14,668
	Cash flows from discontinued operations	-	2,456	(530)
	Cash flows from operations	7,299	3,819	14,138
CASH FLOWS FROM INVESTMENTS	Proceeds from disposal of property and equipment	1,535	404	2,310
	Expenditures for property and equipment	(4,545)	(4,173)	5,061)

Cash used in acquisition, net of cash acquired	-	(241)	-
Cash flows from investments	(3,010)	(4,010)	(2,751)

CASH FLOWS FROM FINANCING	Proceeds from issuance of long-term debt	-	3,403	-
	Repayments on long-term debt	(6,586)	-	(10,559)
	Increase (decrease) in deferred compensation	(22)	16	8
	Purchases of treasury stock	(248)	-	-
	Proceeds from exercise of stock options	905	175	47
	Dividends paid	(791)	(725)	(643)
	Shareholder note payments	68	68	68
	Cash flows from financing	(6,674)	2,937	(11,079)
	Increase (decrease) in cash and cash equivalents	(2,385)	2,746	308
	Cash and cash equivalents beginning of year	3,757	1,011	703
	Cash and cash equivalents end of year	$ 1,372	$ 3,757	$ 1,011

The "Notes to 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):

	1998	1997	1996
Cash paid for interest	$ 2,195	$ 1,826	$ 1,788
Cash paid for income taxes	5,130	2,900	3,045
Subordinated notes converted	232	-	-
Capital lease obligations incurred	-	-	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. Amounts relating to number of shares and amounts per share have been adjusted for 1996 to reflect the stock splits. Certain other amounts in prior year financial statements have been reclassified to conform to the 1998 presentation.

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 principal is due in installments of $250,000, $666,667, $666,667 and $916,666 in 1997, 1998, 1999 and 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)

	1998	1997
Contract receivables	$ 60,559	$ 59,893
Contract retainages	8,267	16,093
Other	33	103
	68,859	76,089
Allowance for doubtful accounts	747	675
	$ 68,112	$ 75,414

4. Contracts in Process (in thousands)

	1998	1997
Costs incurred on uncompleted contracts	$ 594,166	$ 509,187
Estimated earnings	44,555	42,276
	638,721	551,463
Less: Billings to date	631,077	545,727
	$ 7,644	$ 5,736
Included in the accompanying balance sheet under the following captions:		
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 17,092	$ 14,919
Billings in excess of costs and estimated earnings on uncompleted contracts	9,448	9,183
	$ 7,644	$ 5,736

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. In 1996, the Company recorded additional amounts, primarily legal expenses related to the National Union lawsuit, which resulted in additional losses of $530,000, net of income tax benefits of $325,000.

6. Property and Equipment (in thousands)

	1998	1997
Land	$ 931	$ 931
Buildings and improvements	4,012	4,144
Construction equipment	47,302	46,140
Office equipment	4,461	3,643
	56,706	54,858
Accumulated depreciation	40,604	37,967
	$ 16,102	$ 16,891

7. Leases and Commitments

At December 31, 1998, the Company had outstanding irrevocable standby letters of credit totaling $4,662,000 of which $4,150,000 guarantees the Company's payment obligation under its insurance programs and $512,000 which is a credit enhancement to guarantee an industrial revenue bond.

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, 1998 total $7,740,000, $6,992,000, $5,660,000, $2,831,000 and $838,000 for the years ending 1999, 2000, 2001, 2002 and 2003, respectively. Total rent expense, including both short-term and long-term leases, for 1998, 1997, and 1996 amounted to approximately $17,121,000, $14,078,000 and $12,088,000, respectively.

8. Long-Term Debt

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

	1998	1997
Variable - rate term credit agreement, payable in quarterly installments of $625 through December 1998	$ -	$ 2,500
Variable - rate revolving credit agreement, (effective interest rate of 7.75% at December 31, 1998), payable at maturity in December 1999	6,875	10,000
7% convertible subordinated notes, payable in three equal installments commencing in January 2000	5,447	5,679
Variable - rate notes (1.5% over adjusted LIBOR), payable in annual installments commencing in 1998	1,583	2,250
Industrial revenue bond financing at variable rates (weighted average of 8.5%) and due in varying annual amounts ranging from $230 to $250 through 2000	480	695
Equipment lease at 6%, payable in monthly installments through July 1999	42	122
	14,427	21,246
Less current portion	7,813	13,462

	$ 6,614	$ 7,784

The Company maintains a $20,000,000 credit facility with a bank. At the Company's option, borrowing under this line bears interest at the bank's prime interest rate or the adjusted LIBOR commercial rate plus a spread. The credit facility for $5,000,000 expires May 31, 1999 and the $15,000,000 balance expires on December 31, 1999.

Under the credit facility, borrowings are limited to an amount equal to 75% of eligible accounts receivable balances. The terms of the credit agreement require, among other things, minimum current ratios, fixed charge coverage ratio and senior debt leverage ratios. Payments of cash dividends and repurchases of capital stock, each quarter, are restricted to an amount not to exceed $150,000 plus 6.25% of the Company's net income for the preceding 12 months. The Company has complied with these provisions.

The industrial revenue bond is secured by properties with a net book value of approximately $1,310,000 and $1,390,000 at December 31, 1998 and 1997, respectively. The equipment leases are secured by equipment with a net book value of approximately $114,000 and $160,000 as of December 31, 1998 and 1997, respectively.

Maturities of long-term debt are $7,813,000 in 1999, $2,982,000 in 2000, $1,816,000 in 2001, and $1,816,000 in 2002. The maturities of debt incurred under the revolving credit agreement have been reported based on an estimate of the expected paydown through the 1999 expiration date of the credit facility.

9. Accrued Liabilities (in thousands)

	1998	1997
Insurance	$ 13,868	$ 15,121
Payroll	3,388	3,778
Union dues and benefits	4,043	3,946
Profit sharing and thrift plan	1,844	1,632
Income taxes	990	1,249
Taxes, other than income taxes	1,232	1,557
Other	6,031	7,746
	$ 31,396	$ 35,029

10. Income Taxes

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

	1998	1997	1996
Current			
Federal	$ 4,303	$ 3,409	$ 2,137
State	1,265	624	403
Current			
	5,568	4,033	2,540
Deferred	(525)	(66)	(108)
Current			
	$ 5,043	$ 3,967	$ 2,432

The differences between the U.S. federal statutory tax rate and the Company's effective rate for the three years ended December 31, 1998 are as follows:

	1998	1997	1996
U.S. federal statutory rate	34.0%	34.0%	34.0%
State income taxes, net of U.S. federal income tax benefit	6.5	5.3	4.9

Other	(1.5)	.7	(.9)
	39.0%	40.0%	38.0%

The net deferred tax assets and liabilities arising from temporary differences at December 31, 1998 and 1997 are as follows (in thousands):

	1998		1997	
	CURRENT ASSETS	NONCURRENT LIABILITIES	CURRENT ASSETS	NONCURRENT LIABILITIES
Employee and retiree benefit plans	$ -	$ (245)	$ -	$ (252)
Excess tax over book depreciation	-	3,023	-	2,969
Insurance accruals	3,964	-	3,060	-
Other allowances and accruals	2,189	(1,726)	2,262	(1,971)
	$ 6,153	$ 1,052	$ 5,322	$ 746

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 555,556 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 19,494 shares on the open market at a cost of $248,000 in 1998. No shares were purchased in 1997 and 1996. At December 31, 1998, the balance available under the Board of Directors' authorization to purchase shares was 238,248. The Company issued, 56,230 and 41,660 shares out of treasury for options exercised in 1998 and 1997, respectively. The Company also issued 57,395 and 52,343 shares out of treasury for restricted stock awarded to non-employee directors and key employees in 1998 and 1997, respectively.

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):

	1998	1997	1996
Share data:			
Basic shares	5,611	5,443	5,353
Common equivalent shares	702	645	394
Shares assumed converted	359	1,000	1,000
Diluted shares	6,672	7,088	6,747

	1998		1997		1996	
	Total	Per Share	Total	Per Share	Total	Per Share
Income from continuing operations:						
Basic	$7,888	$ 1.40	$5,951	$ 1.09	$3,968	$ 0.74

Interest on convertible subordinated notes	86		239		247	
Diluted	$7,974	$ 1.20	$6,190	$ 0.87	$4,215	$ 0.62

14. Stock Option and Restricted Stock Plans

At December 31, 1998, under the 1996, 1995, 1993, 1992 and 1990 Stock Option and Restricted Stock Plans, 74,479, 226,779, 71,089, 33,663, and 13,186 shares, respectively, are available for grant.

Stock Options

Outstanding options granted under the 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, 1998 are summarized below:

	1998		1997		1996	
	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	1,171,773	$ 4.66	1,195,490	$ 4.50	1,239,934	$ 4.49
Granted	204,396	12.40	43,060	8.53	15,560	6.59
Exercised	(113,006)	4.36	(41,660)	4.09	(12,222)	4.30
Forfeited	(46,194)	5.58	(25,117)	4.64	(47,782)	4.95
Outstanding end of year	1,216,969	$ 5.95	1,171,773	$ 4.66	1,195,490	$ 4.50
Exercisable end of year	823,458	$ 4.19	827,246	$ 4.04	743,680	$ 3.70

Options outstanding at December 31, 1998 are summarized below:

	Options Outstanding			Options Exercisable	
Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$2.56	363,892	0.76	$2.56	363,892	$2.56
$4.24 - $5.51	346,988	5.53	4.76	308,786	4.74
$6.52 - $13.61	506,089	6.70	9.20	150,780	6.99
	1,216,969			823,458	

The weighted average fair value of the stock options granted during 1998 and 1997 was $4.15 and $2.81, respectively. The fair value of each stock option grant is estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	1998	1997
Expected life (years)	5	5
Risk-free interest rate	5.19%	6.43%

Expected volatility	32.26%	29.55%
Expected dividend yield	1.2%	1.4%

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 1998 and 1997 would have been:

	1998	1997
Net Income	$7,763,000	$6,478,000
Earnings per share - Basic	1.38	1.19
Earnings per share - Diluted	1.18	.95

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 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 1998, 1997 and 1996, 74,501, 49,166 and 75,000 shares were awarded at an average market price of $12.28, $11.83 and $6.66, respectively with seven year restriction periods. The charge against net earnings for compensation under the plan was $190,063, $116,100 and $25,900 in 1998, 1997 and 1996, 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 1998, 1997 and 1996, 1,894, 3,177 and 3,783 shares were awarded at an average market price of $13.06, $8.18 and $6.64, respectively. The charge against net earnings for director fees under the plan was $26,234, $26,000 and $16,100 in 1998, 1997 and 1996, respectively.

Under the Company's 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, 1998 and 1997, respectively, the outstanding note receivable balance was $204,000 and $272,000. The note was collateralized by 81,250 shares of the Company's common stock at December 31, 1998 and 1997. The note bears interest at an annual rate of 7.7%, payable annually, with principal payments due through December 2001. Outstanding loans are shown as a reduction of shareholders' equity on the balance sheet.

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 $1,866,000, $1,650,000 and $1,230,000 in 1998, 1997 and 1996, respectively.

Certain employees are covered under union-sponsored collectively bargained defined benefit plans. Expenses for these plans amounted to approximately $26,403,000, $23,883,000 and $15,387,000 in 1998, 1997 and 1996, 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 one customer that accounted for 12.7% and 17.3% of the Company's consolidated contract revenue in 1998 and 1997, respectively. In 1996, the Company had another customer that accounted for 12.1% of the Company's consolidated revenue.

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 adoption of SFAS No. 131 did not affect results of operations or financial position, but did affect the disclosure of segment information.

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	Commercial/	Corporate and

	Consolidated	Industrial	Other	Consolidated
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
1996				
Contract revenue	202,547	108,030	-	310,577
Depreciation and amortization	5,166	668	257	6,091
Income before taxes	12,532	2,113	(8,245)	6,400
Segment assets	54,330	32,177	11,979	98,486
Capital expenditures	4,969	324	-	5,293

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

	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

	1997				
	Mar. 31	June 30	Sept. 30	Dec. 31	Year

Contract revenue	$ 89,004	$112,310	$119,838	$110,124	$431,276
Gross profit	7,385	9,954	11,789	10,532	39,660
Income from continuing operations	693	1,710	1,890	1,658	5,951
Net income	693	2,312	1,890	1,658	6,553
Earnings per share - basic:					
Income from continuing operations	0.13	0.31	0.35	0.30	1.09
Net income	0.13	0.42	0.35	0.30	1.20
Earnings per share - diluted:					
Income from continuing operations	0.11	0.25	0.27	0.24	0.87
Net income	0.11	0.34	0.27	0.24	0.96
Dividends paid per share	0.033	0.033	0.033	0.033	0.132
Market price:					
High	8.40	10.99	14.18	14.85	14.85
Low	7.20	6.98	10.50	12.44	6.98

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 (57)
Chairman (since August 1988) and Chief Executive Officer (since October 1989); Director (since 1986).

William S. Skibitsky (49)
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 (52)
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 (52)
Senior Vice President, General Counsel and Secretary (since February 1986).

William A. Koertner (49)
Senior Vice President, Treasurer and Chief Financial Officer (since November 1998); Vice President at Central Illinois Public Service Company (1993-1998).

Betty R. Johnson (40)
Vice President (since October 1998) and Controller (since June 1992).

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 8-K

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) No reports on Form 8-K were filed by the Company during the fourth quarter 1998.

(c) Exhibits required to be filed by Item 601 of Regulation S-K are listed in the Exhibit Index which appear at pages 35 and 36 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 17, 1999

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) Principal Accounting Officer

/s/ Betty R. Johnson Betty R. Johnson	Vice President and 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, 1998

Exhibit Index

Number	Description	Page (or Reference)
2.1	Merger Agreement by and among the Company, HMM Corporation and Harlan Electric Company dated October 5, 1994, as amended	(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 subsidiari	(6)
10.2	Form of Agreement of Indemnification for Directors of the Company and certain officers of the Company and 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)
21	Subsidiaries of the Company	37
23	Independent Auditors' Consents	38
27	Financial Data Schedules	40
99.1	Report of Predecessor Auditors	41

(1) Filed as exhibit 2 to the Report on Form 8-K of the Company dated January 3, 1995, 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.

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%(2)

(1) wholly owned subsidiary of Harlan Electric Company

(2) wholly owned subsidiary of Sturgeon Electric Company, Inc.

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 17, 1999, with respects to the consolidated financial statements of MYR Group Inc. included in the Annual Report Form 10-K for the year ended December 31, 1998.

ERNST & YOUNG LLP
Chicago, Illinois
March 17, 1999

Exhibit 23

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, 1998.

Deloitte & Touche LLP
Chicago, Illinois
March 17, 1999

Exhibit 23

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

Exhibit 99.1

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