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

FORM 10-K

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

For the fiscal year ended December 31, 2016

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 1-08325

MYR GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware	**36-3158643**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1701 Golf Road, Suite 3-1012
Rolling Meadows, IL 60008

(Address of principal executive offices, including zip code)

(847) 290-1891

(Registrant's telephone number, including area code)

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

Title of Each Class	Name of Exchange on Which Registered
Common Stock, $0.01 par value	NASDAQ

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

None

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.Yes ☒ No ☐

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

As of June 30, 2016 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the outstanding common equity held by non-affiliates of the registrant was approximately $333.9 million, based upon the closing sale price of the common stock on such date as reported by the NASDAQ Global Market (for purposes of calculating this amount, only directors, officers and beneficial owners of 10% or more of the outstanding capital stock of the registrant have been deemed affiliates).

As of March 3, 2017 there were 16,344,835 shares of the registrant's $0.01 par value common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission (the "SEC") in connection with its 2017 annual meeting of stockholders to be held on April 27, 2017, are incorporated into Part III hereof.

MYR GROUP INC.

ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2016

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Throughout this report, references to "MYR Group," the "Company," "we," "us," and "our" refer to MYR Group Inc. and its consolidated subsidiaries, except as otherwise indicated or as the context otherwise requires.

FORWARD-LOOKING STATEMENTS

Statements in this annual report on Form 10-K contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), which represent our management's beliefs and assumptions concerning future events. When used in this document and in documents incorporated by reference, forward-looking statements include, without limitation, statements regarding financial forecasts or projections, and our expectations, beliefs, intentions or future strategies that are signified by the words "anticipate," "believe," "estimate," "expect," "intend," "may," "objective," "outlook," "plan," "project," "likely," "unlikely," "possible," "potential," "should" or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this annual report on Form 10-K speak only as of the date of this annual report on Form 10-K. We disclaim any obligation to update these statements (unless required by securities laws), and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict, and many of which are beyond our control. These and other important factors, including those discussed in Item 1A "Risk Factors" of this report, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.

WEBSITE ACCESS TO COMPANY'S REPORTS

Our website address is *www.myrgroup.com*. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act will be available free of charge through our website as soon as reasonably possible after they are electronically filed with, or furnished to, the SEC. The information on our website is not, and shall not be deemed to be, a part of this annual report on Form 10-K or incorporated into any other filings we make with the SEC.

PART I

Item 1. Business

General

We are a holding company of specialty electrical construction service providers that was established in 1995 through the merger of long-standing specialty contractors. Through our subsidiaries, we have served the electric utility infrastructure markets since 1891. Our operations are currently conducted through wholly-owned subsidiaries, including: The L. E. Myers Co.; Harlan Electric Company; Great Southwestern Construction, Inc.; Sturgeon Electric Company, Inc.; MYR Transmission Services, Inc.; E.S. Boulos Company; Western Pacific Enterprises Ltd.; High Country Line Construction, Inc.; MYR Transmission Services Canada, Ltd.; Northern Transmission Services, Ltd.; Sturgeon Electric California, LLC; and GSW Integrated Services, LLC. We provide electrical construction services, and limited gas construction services, through a network of local offices located throughout the United States and Canada. We provide a broad range of services, which includes design, engineering, procurement, construction, upgrade, maintenance and repair services, with a particular focus on construction, maintenance and repair.

Our principal executive offices are located at 1701 Golf Road, Suite 3-1012, Rolling Meadows, Illinois 60008. The telephone number of our principal executive offices is (847) 290-1891.

Reportable Segments

We are a leading specialty contractor serving the electrical infrastructure market in the United States. We also have operations in parts of Canada. We manage and report our operations through two industry segments: Transmission and Distribution ("T&D") and Commercial and Industrial ("C&I") electrical contracting services.

In the fourth quarter of 2016, we expanded our C&I and enhanced our T&D presence in western Canada with the acquisition of substantially all of the assets of Western Pacific Enterprises GP and certain assets of Western Pacific Enterprises Ltd., with the company continuing operations as Western Pacific Enterprises Ltd. ("WPE"). In the second quarter of 2015, we acquired E.S. Boulos Company, which expanded the geographic reach of our C&I segment to the northeastern United States, while enhancing our T&D presence in that region. In the fourth quarter of 2015, we expanded our T&D segment in the western United States with the acquisition of High Country Line Construction, Inc.

Transmission and Distribution segment We have operated in the T&D industry since 1891. We are one of the largest U.S. contractors servicing the T&D sector of the electric utility industry. We provide a broad range of services on electric transmission and distribution networks and substation facilities, which include design, engineering, procurement, construction, upgrade, maintenance and repair services, with a particular focus on construction, maintenance and repair, to customers in the electric utility and the renewable energy industries throughout the United States and Canada. Our T&D services include the construction and maintenance of high voltage transmission lines, substations and lower voltage underground and overhead distribution systems. We also provide storm restoration services in response to hurricane, ice or other storm-related damage.

In our T&D segment, we generally serve the electric utility industry as a prime contractor, either through traditional design-bid-build or engineering, procurement and construction ("EPC") forms of project delivery. We have long-standing relationships with many of our T&D customers, who rely on us to construct and maintain reliable electric and other utility infrastructure. We also provide many services to our customers under multi-year master service agreements ("MSAs") and other variable-term service agreements. We generally focus on improving our profitability by selecting projects we believe will provide attractive margins, actively monitoring the costs of completing our projects, holding customers accountable for costs related to changes to contract specifications, and rewarding our employees for effectively managing costs.

Commercial and Industrial segment We have provided electrical contracting services for C&I construction since 1912. Our C&I segment provides services such as the design, installation, maintenance and repair of commercial and industrial wiring, installation of traffic networks and the installation of bridge, roadway and tunnel lighting. Our C&I operations are primarily in the western and northeastern United States and in western Canada where we have sufficient scale to deploy the level of resources necessary to achieve significant market share. We concentrate our efforts on projects where our technical and project management expertise are critical to successful and timely execution. Typical C&I contracts cover electrical contracting services for airports, hospitals, data centers, hotels, stadiums, convention centers, manufacturing plants, processing facilities, waste-water treatment facilities, mining facilities and transportation control and management systems.

In our C&I segment, we generally provide our electric construction and maintenance services as a subcontractor to general contractors in the C&I industry, but also contract directly with facility owners. We have a diverse customer base with many long-standing relationships.

Additional financial information related to our business segments is provided under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Note 15 to our Financial Statements.

Customers

Our T&D customers include many of the leading companies in the electric utility industry. Our T&D customers include investor-owned utilities, cooperatives, private developers, government-funded utilities, independent power producers, independent transmission companies, industrial facility owners and other contractors. Our C&I customer base includes general contractors, commercial and industrial facility owners, local governments and developers. We have long-standing relationships with many of our customers, and we cultivate these relationships at all levels of our organization from senior management to project supervisors. We seek to build upon our customer relationships to secure additional projects from our current customer base. Many of our customer relationships originated decades ago and are maintained through a partnering approach, which includes project evaluation and consulting, quality performance, performance measurement and direct customer contact. At all levels of management, we maintain a focus on pursuing growth opportunities with prospective customers. In addition, our management teams promote and market our services for prospective large-scale projects and national accounts. We believe that our industry experience, technical expertise, customer relationships and emphasis on safety and customer service contribute to obtaining new contracts with both existing and new customers.

For the years ended December 31, 2016, 2015 and 2014, our top 10 customers accounted for 46.4%, 44.6%, and 46.5% of our revenues, respectively. For the years ended December 31, 2016, 2015 and 2014, no single customer accounted for more than 10.0% of annual revenues.

For the years ended December 31, 2016, 2015 and 2014, revenues derived from T&D customers accounted for 71.7%, 74.9% and 74.1%, of our total revenues, respectively, and revenues derived from C&I customers accounted for 28.3%, 25.1% and 25.9% of our total revenues, respectively.

Types of Service Arrangements and Bidding Process

We enter into contracts principally through a competitive bid process. Our typical construction project begins with the preparation and submission of a bid to a customer. If selected as the successful bidder, we generally enter into a contract with the customer that provides for payment upon completion of specified work or units of work as identified in the contract. Although there is considerable variation in the terms of the contracts we undertake, our contracts are primarily structured as fixed-price agreements, under which we agree to do the entire project for a fixed amount, or unit-price agreements, under which we agree to do the work at a fixed price per unit of work as specified in the agreement. We also enter into time-and-equipment contracts under which we are paid for labor and equipment at negotiated hourly billing rates and for other expenses, including materials, as incurred, and time-and-materials contracts under which we are paid for labor at negotiated hourly billing rates and for other expenses, including materials, as incurred. Finally, we sometimes enter into cost-plus contracts, where we are paid for our costs plus a negotiated margin. On occasion, time-and-equipment, time-and-materials and cost-plus contracts require us to include a guaranteed not-to-exceed maximum price.

Fixed-price and unit-price contracts typically have the highest potential margins; however, they hold a greater risk in terms of profitability because cost overruns may not be recoverable. Time-and-equipment, time-and-materials and cost-plus contracts have less margin upside, but generally have a lower risk of cost overruns. Work in our T&D segment is generally completed under fixed-price, time-and-materials, time-and-equipment, unit-price and cost-plus agreements. C&I work is typically performed under fixed-price, time-and-materials, cost-plus, and unit-price agreements. Fixed-price contracts accounted for 61.6% of total revenue for the year ended December 31, 2016, including 56.9% of our total revenue for our T&D segment and 73.4% of our total revenue for our C&I segment.

Our EPC contracts are typically fixed-price. We may act as the prime contractor for an EPC project where we perform the procurement and construction functions but use a subcontractor to perform the engineering component, or we may use a subcontractor for both engineering and procurement functions. We may also act as a subcontractor on an EPC project to an engineering or construction management firm. When acting as a subcontractor for an EPC project, we typically provide construction services only, although we may also perform both the construction and procurement functions.

Our T&D segment also provides services under MSAs that cover maintenance, upgrade and extension services, as well as new construction. Work performed under MSAs is typically billed on a unit-price, time-and-materials or time-and-equipment basis. MSAs are typically one to three years in duration; however, most of our contracts, including MSAs, may be terminated by our customers on short notice, typically 30 to 90 days, even if we are not in default under the contract. Under MSAs, customers generally agree to use us for certain services in a specified geographic region. Most MSA customers have no obligation to assign specific volumes of work to us and are not required to use us exclusively, although in some cases they are subject to our right of first refusal. Many of our contracts, including MSAs, are open to public bid at expiration and generally attract numerous bidders.

A portion of the work we perform requires performance and payment bonds at the time of execution of the contract. Contracts generally include retention provisions of up to 10% which may be withheld from each progress payment as retainage until the contract work has been completed and approved.

Materials

In many cases, our T&D customers are responsible for supplying their own materials on projects; however, under certain contracts, we may agree to provide all or a portion of the required materials. For our C&I contracts, we usually procure the necessary materials and supplies. We are not dependent on any one supplier for materials or supplies.

Subcontracting

We are the prime contractor for the majority of our T&D projects. We may use subcontractors to perform portions of our contracts and to manage workflow, particularly for design, engineering, procurement and some foundation work. We often work with subcontractors who are sole proprietorships or small business entities. Subcontractors normally provide their own employees, vehicles, tools and insurance coverages. We are not dependent on any single subcontractor. Contracts with subcontractors often contain provisions limiting our obligation to pay the subcontractor if our client has not paid us. We hold our subcontractors responsible for their work or delays in their performance. On larger projects we may require performance and payment bonding from subcontractors, where we deem appropriate, based on the risk involved. We occasionally perform work as a subcontractor, and we may elect to do so from time-to-time on larger projects in order to manage our execution risk.

The majority of the work in our C&I segment is done as a subcontractor to a general contractor.

Competition

Our business is highly competitive in both our T&D and C&I segments. Competition in both of our business segments is primarily based on the price of the construction services and upon the reputation for safety, quality and reliability of the contractor. The competition we encounter can vary depending upon the type and/or location of construction services.

We believe that the principal competitive factors that customers consider in our industry are:

- price and flexible contract terms;
- safety programs and safety performance;

- technical expertise and experience;
- management team experience;
- reputation and relationships with the customer;
- geographic presence and breadth of service offerings;
- willingness to accept risk;
- quality of service execution;
- specialized equipment, tooling and centralized fleet structure;
- the availability of qualified and/or licensed personnel;
- adequate financial resources and bonding capacity;
- weather-damage restoration abilities and reputation; and
- technological capabilities.

While we believe our customers consider a number of factors when selecting a service provider, most of their work is awarded through a bid process where price is always a principal factor. See “Risk Factors-Our industry is highly competitive.”

T&D Competition

Our T&D segment competes with a number of companies in the local markets where we operate, ranging from small local independent companies to large national firms. The national or large regional firms that compete with us for T&D contracts include Asplundh Construction Corp., Davis H. Elliot Company, Inc., Henkels & McCoy, Inc., MasTec, Inc., MDU Resources Group, Inc., Michels Corporation, Pike Corporation, Power Line Services, Inc., Quanta Services, Inc. and Willbros Group, Inc.

There are a number of barriers to entry into the transmission services business, including the cost of equipment and tooling necessary to perform transmission work, the availability of qualified labor, the scope of typical transmission projects and the technical, managerial and supervisory skills necessary to complete the job. Larger transmission projects generally require specialized heavy duty equipment as well as strong financial resources to meet the cash flow, bonding, or letter of credit requirements of these projects. These factors sometimes reduce the number of potential competitors on these projects. The number of firms that generally compete for any one significant transmission 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. Some of our competitors restrict their operations to one geographic area, and others operate nationally and internationally.

Compared to the transmission markets, there are fewer significant barriers to entry into the distribution markets in which we operate. As a result, any organization that has adequate financial resources and access to technical expertise can compete for distribution projects. Instead of outsourcing to us, some of our T&D customers also employ personnel internally to perform the same type of services that we provide.

C&I Competition

Our C&I segment competes with a number of regional or small local firms and subsidiaries of larger national firms. Competition for our C&I construction services varies greatly. There are few significant barriers to entry in the C&I business, and there are a number of small companies that compete for C&I business. The size, location and technical requirements of the project will impact which competitors and the number of competitors that we will encounter when bidding on any particular project.

A major competitive factor in our C&I segment is the individual relationships that we and our competitors have developed with general contractors who typically manage the bid process. Additionally, the equipment requirements for C&I work are generally not as significant as that of T&D construction. Since C&I construction typically involves the purchase of materials, the financial resources to meet the materials procurement and equipment requirements of a particular project may impact the competition that we encounter. We differentiate ourselves from our competitors by bidding for larger and/or more technically complex projects, which we believe many of our smaller competitors may not be capable of executing effectively or profitably. We believe that we have a favorable competitive position in the markets that we serve due in part to our strong operating history and strong local market share as well as our reputation and relationships with our customers.

Project Bonding Requirements

Many customers, particularly in connection with new construction, require us to post performance and payment bonds issued by a financial institution known as a surety. These bonds provide a guarantee to the customer that we will perform under the terms of a contract and that we will pay subcontractors and vendors. If we fail to perform under a contract or to pay subcontractors and vendors, the customer may demand that the surety make payments or provide services under the bond. We generally must reimburse the surety for any expenses or outlays it incurs. These bonds are typically issued at the face value of the contract awarded. As of December 31, 2016, we had approximately $654.2 million in original face amount of bonds outstanding for projects in our T&D segment and $233.5 million for projects in our C&I segment. Our estimated remaining cost to complete these bonded projects for both segments was approximately $58.2 million as of December 31, 2016. As of December 31, 2015, we had approximately $707.1 million in original face amount of bonds outstanding for projects in our T&D segment and $204.9 million for projects in our C&I segment. The ability to post bonds provides us with a competitive advantage over smaller or less financially secure competitors. We believe that the strength of our balance sheet, as well as our strong and long-standing relationship with our surety, enhances our ability to obtain adequate financing and bonds.

Backlog

We refer to our estimated revenue on uncompleted contracts, including the amount of revenue on contracts for which work has not begun, less the revenue we have recognized under such contracts, as “backlog.” We calculate backlog differently for different types of contracts. For our fixed-price contracts, we include the full remaining portion of the contract in our calculation of backlog. A customer’s intention to award us work under a fixed-price contract is not included in backlog unless there is an actual award to perform a specific scope of work at specific terms and pricing. For many of our unit-price, time-and-equipment, time-and-materials and cost-plus contracts, we only include projected revenue for a three-month period in the calculation of backlog, although these types of contracts are generally awarded as part of MSAs that typically have a one-year to three-year duration from execution. Given the duration of our contracts and MSAs and our method of calculating backlog, our backlog at any point in time may not accurately represent the revenue that we expect to realize during any period and our backlog as of the end of a fiscal year may not be indicative of the revenue we expect to generate in the following fiscal year and should not be viewed or relied upon as a stand-alone indicator. See “Item 1A. Risk Factors-Backlog may not be realized or may not result in profits and may not accurately represent future revenue.”

Certain projects that we undertake are not completed in one accounting period. Revenue on construction contracts is recorded based upon the percentage-of-completion accounting method, under which revenue is determined by the ratio of costs incurred to date on the contracts to management’s estimates of total contract costs. Under the percentage-of-completion method of accounting, revenue recognition is largely a function of contract costs incurred for any given period. Contract costs may include direct material, labor, subcontractor and material procurement services, equipment, and those indirect costs related to contract performance such as indirect labor, supplies, tools and repairs. While our contracts typically include labor, equipment and indirect costs, the amount of subcontractor and material costs on any individual contract can vary considerably.

There can be no assurance as to the accuracy of our customers' requirements or of our estimates of existing and future needs under MSAs, or of the values of our cost or time-dependent contracts and, therefore, our current backlog may not be realized as part of our future revenues. Subject to the foregoing discussions, the following table summarizes that amount of our backlog that we believe to be firm as of the dates shown and the amount of our current backlog that we reasonably estimate will not be recognized within the next twelve months:

	Backlog at December 31, 2016		
(in thousands)	Total	Amount estimated to not be recognized within 12 months	Total Backlog at December 31, 2015
T&D	$ 386,701	$ 30,600	$ 323,570
C&I	302,131	31,265	127,364
Total	$ 688,832	$ 61,865	$ 450,934

Changes in backlog from period to period are primarily the result of fluctuations in the timing of awards and revenue recognition of contracts. Significant contributors to the increase in the 2016 backlog were a multi-year Cross Texas Transmission contract and the WPE acquisition.

Trade Names and Intellectual Property

We operate in the United States under a number of trade names, including MYR Group Inc.; The L. E. Myers Co.; Harlan Electric Company; Great Southwestern Construction, Inc.; Sturgeon Electric Company, Inc.; MYR Transmission Services, Inc.; E.S. Boulos Company; High Country Line Construction, Inc.; Sturgeon Electric California, LLC; and GSW Integrated Services, LLC. We operate in Canada under the trade names MYR Transmission Services Canada, Ltd.; Northern Transmission Services, Ltd and Western Pacific Enterprises Ltd. We do not generally register our trade names, but instead rely on statutory and common law protection. While we consider our trade names to be valuable assets, we do not consider any single trade name to be of such material importance that its absence would cause a material disruption to our business. We also do not materially rely upon any patents, licenses or other intellectual property.

Equipment

Our long history in the T&D industry has allowed us to be instrumental in designing much of the specialty tools and equipment used in the industry, including wire pullers, wire tensioners and aerial devices. We operate a fleet of trucks and trailers, support vehicles, bulldozers, bucket trucks, digger derricks and cranes and specialty construction equipment, such as wire pullers and wire tensioning machines. We also rely on specialized tooling, including stringing blocks, wire grips and presses. The standardization of our trucks and trailers allows us to streamline training, maintenance and parts costs. We operate a centralized fleet facility, as well as 21 regional maintenance shops throughout the United States, which are staffed by over 150 mechanics and equipment managers who service our fleet. Our ability to internally service our fleet in various markets often allows us to reduce repair costs and the time equipment is out of service by eliminating both the need to ship equipment long distances for repair and dependence on third party maintenance providers. Our maintenance shops are also able to modify standard construction equipment to meet the specific needs of our specialty applications. We are a final-stage manufacturer for several configurations of our specialty vehicles, and, in the event that a particular piece of equipment is not available to us, we can often build the component on-site, which reduces our reliance on our equipment suppliers.

Our fleet of equipment is managed by our centralized fleet management group. Our fleet is highly mobile, which gives us the ability to shift resources from region-to-region quickly and to effectively respond to customer needs or major weather events. Our centralized fleet management group is designed to enable us to optimize and maintain our equipment to achieve the highest equipment utilization which helps to maintain a competitive position with respect to our equipment costs. We develop internal equipment rates which provide our business units with appropriate pricing levels to estimate their bids for new projects more accurately. We also involve our business units in prioritizing the use of our fleet assets. The fleet management group also manages the procurement and disposition of equipment and short-term rentals. All of these factors are critical in allowing us to operate efficiently and meet our customers' needs.

Regulation

Our operations are subject to various laws and regulations including:

- licensing, permitting and inspection requirements applicable to electricians and engineers;
- regulations relating to worker safety and environmental protection;
- permitting and inspection requirements applicable to construction projects;
- building and electrical codes;
- special bidding and procurement requirements on government projects; and
- local laws and government acts regulating work on protected sites.

We believe that we are in compliance with applicable regulatory requirements and have all material licenses required to conduct our operations. Our failure to comply with applicable regulations could result in project delays, cost overruns, remediation costs, substantial fines and/or revocation of our operating licenses.

Environmental Matters

As a result of our current and past operations, we are subject to numerous environmental laws and regulations governing our operations, including the use, transport and disposal of non-hazardous and hazardous substances and wastes, as well as emissions and discharges into the environment, including discharges to air, surface water, groundwater and soil. We also are subject to laws and regulations that impose liability and cleanup responsibility for releases of hazardous substances into the environment. Under certain of these laws and regulations, such liabilities can be imposed for cleanup of previously owned or operated properties, or properties to which hazardous substances or wastes were discharged by current or former operations at our facilities, regardless of whether we directly caused the contamination or violated any law at the time of discharge or disposal. The presence of contamination from such substances or wastes could interfere with ongoing operations or adversely affect our ability to sell, lease or otherwise use our properties in certain ways such as collateral for possible financing. We could also be held liable for significant penalties and damages under certain environmental laws and regulations, which could materially and adversely affect our business and results of operations.

We believe that we are in substantial compliance with environmental laws and regulations and that any obligations related to environmental matters should not have a material effect on our financial condition, results of operations and cash flows.

Additionally, there are significant environmental regulations under consideration to encourage the use of clean energy technologies and regulate emissions of greenhouse gases to address climate change. We regularly monitor the various proposals in this regard. Although the impact of climate change regulations on our business will depend on the specifics of governmental policies, legislation, and regulation, we believe that we will be well-positioned to adapt our business to meet new regulations. See "Item 1A. Risk Factors-We are subject to risks associated with climate change" and "Item 1A. Risk Factors-Our failure to comply with environmental and other laws and regulations could result in significant liabilities."

Cyclical Nature of Business and Seasonality

The demand for construction and maintenance services from our customers is cyclical in nature and vulnerable to downturns in the industries we serve as well as the economy in general. As a result, our volume of business could be adversely affected by declines or delays in new projects in various geographic regions.

Although our revenues are primarily driven by spending patterns in our customers' industries, our revenues and results of operations can be subject to seasonal and other variations. These variations are influenced by weather, daylight hours, availability of system outages from utilities and holidays. For example, during the winter months, demand for our T&D work may be high, but our work can be delayed due to inclement weather. During the summer months, the demand for our T&D work may be affected by fewer available system outages during which we can perform electrical line service work due to peak electrical demands caused by warmer weather conditions. During the spring and fall months, the demand for our T&D work may increase due to improved weather conditions and system availability; however, extended periods of rain and other severe weather can affect the deployment of our crews and the efficiency of our operations.

Employees

We seek to attract and retain highly qualified craft employees by providing a superior work environment through our emphasis on safety, our competitive compensation, and our high quality fleet of equipment. The number of individuals we employ varies significantly throughout the year, typically with lower staffing levels at year end and through the winter months when fewer projects are active. The number of craft employees fluctuates depending on the number and size of projects at any particular time. As of December 31, 2016, we had approximately 4,600 employees, consisting of approximately 860 salaried employees, including executive officers, district managers, project managers, superintendents, estimators, office managers, and staff and clerical personnel, and approximately 3,740 craft employees. Approximately 91% of our craft employees are members of unions, with the majority being members of the International Brotherhood of Electrical Workers ("IBEW"), who are represented by many local unions under agreements with generally uniform terms and varying expiration dates. We generally are not direct parties to such local agreements, but instead these agreements are entered into by and between the IBEW local unions and the National Electrical Contractors Association ("NECA"), of which we are a member. NECA negotiates the terms of these agreements on our behalf. On occasion we will also employ individuals who are members of other trade unions pursuant to multi-employer, multi-union project agreements.

Executive Officers

Name	Age on March 9, 2017	Position
Richard S. Swartz, Jr.	53	President and Chief Executive Officer
Betty R. Johnson	58	Senior Vice President, Chief Financial Officer and Treasurer
William A. Koertner	67	Executive Chairman of the Board of Directors
Tod M. Cooper	52	Senior Vice President, Chief Operating Officer T&D
Gerald B. Engen, Jr.	66	Senior Vice President, Chief Legal Officer and Secretary
Jeffrey J. Waneka	55	Senior Vice President, Chief Operating Officer C&I

Richard S. Swartz, Jr. was appointed president and chief executive officer on January 1, 2017. Prior to his current role, he served as executive vice president and chief operating officer since September 2016 and as senior vice president and chief operating officer from May 2011 to September 2016. Mr. Swartz served as senior vice president from August 2009 to May 2011, and as a group vice president from 2004 to 2009. Prior to becoming a group vice president, Mr. Swartz served as vice president of our transmission & distribution central division from 2002 to 2004. Mr. Swartz has held a number of additional positions since he joined us in 1982, including project foreman, superintendent, project manager and district manager.

Betty R. Johnson joined us as senior vice president, chief financial officer and treasurer on October 19, 2015. Prior to joining us, Ms. Johnson served as the chief financial officer of Faith Technologies, Inc., a privately held electrical, engineering and technology systems contractor. From 2009 to 2014, Ms. Johnson served as the vice president of global finance and chief financial officer of Sloan Valve Company. Prior to this, Ms. Johnson was executive vice president and chief financial officer with Block and Company, Inc. from 2003 to 2009. From 1999 to 2003 she served as the Vice President-Operations/Finance with Encompass Services Corporation. Ms. Johnson served as our controller from 1992 to 1998 and vice president and controller from 1998 to 1999. Ms. Johnson served as a member of our board of directors from 2007 until accepting her current position with us.

William A. Koertner stepped down as president and chief executive officer effective January 1, 2017. He continues his role as executive chairman of the board. Mr. Koertner served as chairman of the board since 2007 and president and chief executive officer from 2003 to the end of 2016. Mr. Koertner joined us as senior vice president, treasurer and chief financial officer in 1998. Prior to joining us, Mr. Koertner served as vice president at Central Illinois Public Service Company from 1989 until 1998.

Tod M. Cooper was appointed senior vice president and chief operating officer T&D on January 1, 2017. Prior to his current role, he served as senior vice president since August 2013. Mr. Cooper served as group vice president, east from 2009 to 2013 and vice president T&D, east from 2006 to 2009. Mr. Cooper has held a number of additional positions since joining us in 1989, including business development manager, regional manager, district manager, and estimator.

Gerald B. Engen, Jr. has served as senior vice president, chief legal officer and secretary since August 2009. From November 2002 to August 2009, Mr. Engen served as vice president, chief legal officer and secretary. Mr. Engen joined us as an assistant general counsel in September 2000 from Wells, Love & Scoby, LLC, a law firm specializing in construction law.

Jeffrey J. Waneka was appointed senior vice president and chief operating officer C&I on January 1, 2017. Prior to his current role, he served as president of a subsidiary company, Sturgeon Electric Company, Inc., since February 2015. Mr. Waneka served as group vice president, C&I from 2014 to 2015 and vice president, C&I from 2009 to 2014. Mr. Waneka has held a number of additional positions since joining the Company in 1991, including regional manager, director business development and district manager.

Item 1A.Risk Factors

RISK FACTORS

You should read the following risk factors carefully in connection with evaluating our business and the forward-looking information contained in this annual report on Form 10-K. We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could affect our operations. The risks described below highlight some of the factors that have affected, and in the future could affect, our operations. Additional risks we do not yet know of, or that we currently think are immaterial, may also affect our business operations. If any of the events or circumstances described in the following risks actually occurs, our business, financial condition or results of operations could be affected and our stock price could decline.

Our operating results may vary significantly from period to period.

Our business can be highly cyclical and subject to seasonal and other variations that can result in significant differences in operating results from period to period. Additionally, our results may be materially and adversely affected by:

- the timing and volume of work under contract;
- increased competition and changes in the competitive marketplace for our services;
- the spending patterns of customers and governments;
- safety performance and reputation;
- the amount of subcontractor and material costs in our projects;
- decreased equipment utilization;
- permitting, regulatory or customer-caused delays on projects;
- disputes with customers relating to payment terms under our contracts and change orders, and our ability to successfully negotiate and obtain payment or reimbursement under our contracts and change orders;
- variations in the margins of projects performed during any particular reporting period;
- a change in the demand for our services;
- increased costs of performance of our services caused by adverse weather conditions;
- increases in design and construction costs that we are unable to pass through to our customers;
- the termination or expiration of existing agreements;
- regional and general economic conditions and the condition of the financial markets;
- losses experienced in our operations not otherwise covered by insurance;
- a change in the mix of our customers, contracts and business;
- payment risk associated with the financial condition of our customers;
- cost overruns on fixed-price and unit-price contracts;
- availability of qualified labor for specific projects;
- significant fluctuations in foreign currency exchange rates;
- changes in bonding requirements applicable to existing and new agreements;
- costs we incur to support growth internally or otherwise;
- changes in accounting pronouncements that require us to account for items differently than historical pronouncements;

- the timing and integration of acquisitions and the magnitude of the related acquisition and integration costs;
- costs associated with our multi-employer pension plan obligations;
- the availability of equipment;
- costs associated with responding to actions of activist stockholders;
- impairment of goodwill or intangible assets; and
- warranty claims.

Accordingly, our operating results in any particular reporting period may not be indicative of the results that can be expected for any other reporting period.

Our industry is highly competitive. Increased competition can place downward pressure on contract prices and profit margins and may limit the number of projects that we are awarded.

Our industry is fragmented and we compete with other companies, ranging from small, independent firms servicing local markets to larger firms servicing regional, national and international markets. Relatively few barriers prevent entry into the C&I market and the distribution market. As a result, any organization that has adequate financial resources and access to technical expertise may become one of our competitors in those areas. Competition in the industry depends on a number of factors, including price. Some of our competitors, including our competitors in the transmission market, may have lower labor and overhead cost structures and, therefore, may be able to provide their services at lower prices than ours. In addition, some of our competitors may have greater financial, technological and human resources than we do. We cannot be certain that our competitors will not develop the expertise, experience and resources to provide services that are superior in both price and quality to our services. Similarly, we cannot be certain that we will be able to maintain or enhance our competitive position within the markets we serve or maintain our customer base at current levels. We also may face competition from in-house service organizations of our existing or prospective customers. Electric utility companies often employ personnel to internally perform some of the same types of services we do. If we are unable to compete successfully in our markets, our operating results could be adversely affected.

We may be unsuccessful in generating internal growth, which could impact the projects available to the Company.

Our ability to generate internal growth will be affected by, among other factors, our ability to:

- attract new customers;
- increase the number of projects performed for existing customers;
- hire and retain qualified personnel;
- successfully bid new projects;
- expand geographically; and
- adapt the range of services we offer to customers to address their evolving construction needs.

In addition, if our customers are constrained in their ability to obtain capital, it could reduce the number, timing or size of projects available to us. Many of the factors affecting our ability to generate internal growth may be beyond our control, and we cannot be certain that our strategies will be successful, or that we will be able to generate cash flow sufficient to fund our operations and to support internal growth. If we are unsuccessful, we may not be able to achieve internal growth, expand our operations or grow our business.

We may incur liabilities and suffer negative financial or reputational impacts relating to occupational health and safety matters.

Our operations are subject to extensive laws and regulations relating to the maintenance of safe conditions in the workplace. While we have invested, and will continue to invest, substantial resources in our occupational health and safety programs, our industry involves a high degree of operational risk, and there can be no assurance that we will avoid significant liability exposure. Our business is subject to numerous safety risks, including electrocutions, fires, explosions, mechanical failures, weather-related incidents, transportation accidents and damage to equipment. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment and other consequential damages and could lead to suspension of operations, large monetary claims and, in extreme cases, criminal liability. We have suffered serious injuries and fatalities in the past and may suffer additional serious injuries and fatalities in the future. Monetary claims for damages to persons, including claims for bodily injury or loss of life, could result in substantial costs and liabilities. In addition, we have in the past, and we may in the future, be subject to criminal penalties relating to occupational health and safety violations, which have resulted in and could in the future result in substantial costs and liabilities. Any of the foregoing could result in financial loss, which could have a material adverse impact on our business, financial condition, results of operations and cash flows.

Our customers seek to minimize safety risks on their sites, and they frequently review the safety records of outside contractors during the bidding process. If our safety record were to substantially deteriorate, we could become ineligible to bid on certain work, and our customers could cancel our contracts and not award us future business.

Negative economic and market conditions, as well as regulatory and environmental requirements, may adversely impact our customers' future spending and, as a result, our operations and growth.

The demand for infrastructure construction and maintenance services from our customers has been, and will likely continue to be, cyclical in nature and vulnerable to downturns in the industries we serve as well as the economy in general. Stagnant or declining economic conditions have adversely impacted the demand for our services in the past and resulted in the delay, reduction or cancellation of certain projects and may adversely affect us in the future. Unfavorable economic conditions could also cause our customers to outsource less work. Additionally, many of our customers finance their projects through the incurrence of debt or the issuance of equity. A reduction in cash flow or the lack of availability of debt or equity financing may result in a reduction in our customers' spending for our services and may also impact the ability of our customers to pay amounts owed to us, which could have a material adverse effect on our operations and our ability to grow at historical levels. A prolonged economic downturn or recession could adversely affect our customers and their ability or willingness to fund capital expenditures in the future or pay for past services. Material fluctuations in energy markets could have an adverse impact on our customers' spending patterns. Consolidation, competition, capital constraints or negative economic conditions in the electric power industry may also result in reduced spending by, or the loss of, one or more of our customers.

Because the vast majority of our T&D revenue is derived from the electric utility industry, regulatory and environmental requirements affecting that industry could adversely affect our results of operations. Customers in the electric utility industry we serve face stringent regulatory and environmental requirements, as well as permitting processes, as they implement plans for their projects, which may result in delays, reductions and cancellations of some of their projects. These regulatory factors have resulted in decreased demand for our services in the past, and they may do so in the future, potentially impacting our operations and our ability to grow at historical levels.

Project performance issues, including those caused by third parties, or certain contractual obligations may result in additional costs to us, reductions or delays in revenues or the payment of penalties, including liquidated damages.

Many projects involve challenging engineering, procurement and construction phases that may occur over several years. We may encounter difficulties that impact our ability to complete the project in accordance with the original delivery schedule. These difficulties may be the result of delays in designs, engineering information or materials provided by the customer or a third party, delays or difficulties in equipment and material delivery, schedule changes, delays from our customer's failure to timely obtain permits or rights-of-way or meet other regulatory requirements, weather-related delays, delays caused by difficult worksite environments, delays caused by inefficiencies and not achieving expected labor performance, and other factors, some of which are beyond our control. In addition, for some projects we contract with third-party subcontractors to assist us with the completion of contracts. Any delay or failure by suppliers or by subcontractors in the completion of their portion of the project may result in delays in the overall progress of the project or may cause us to incur additional costs, or both. We also may encounter project delays due to local opposition, which may include injunctive actions as well as public protests, to the siting of electric transmission lines, renewable energy projects, or other facilities. We may not be able to recover the costs we incur that are caused by delays. In certain circumstances, we guarantee project completion by a scheduled acceptance date or achievement of certain acceptance and performance testing levels. Failure to meet any of our schedules or performance requirements could also result in additional costs or penalties, including liquidated damages, and such amounts could exceed expected project profit. In extreme cases, the above-mentioned factors could cause project cancellations, and we may not be able to replace such projects with similar projects or at all. Such delays or cancellations may impact our reputation or relationships with customers, adversely affecting our ability to secure new contracts.

Our customers may change or delay various elements of the project after its commencement. The design, engineering information, equipment or materials that are to be provided by the customer or other parties may be deficient or delivered later than required by the project schedule, resulting in additional direct or indirect costs. Under these circumstances, we generally negotiate with the customer with respect to the amount of additional time required and the compensation to be paid to us. We are subject to the risk that we may be unable to obtain, through negotiation, arbitration, litigation or otherwise, adequate amounts to compensate us for the additional work or expenses incurred by us due to customer-requested change orders or failure by the customer to timely deliver items, such as engineering drawings or materials. Litigation or arbitration of claims for compensation may be lengthy and costly, and it is often difficult to predict when and for how much the claims will be resolved. A failure to obtain adequate compensation for these matters could require us to record a reduction to amounts of revenue and gross profit recognized in prior periods under the percentage-of-completion accounting method. Any such adjustments could be substantial. We may also be required to invest significant working capital to fund cost overruns while the resolution of change orders or claims is pending, which could adversely affect our liquidity and financial results in any given period.

Our business is labor intensive and we may be unable to attract and retain qualified employees.

Our ability to maintain our productivity and our operating results may be limited by our ability to employ, train and retain skilled personnel necessary to meet our requirements. We may not be able to maintain an adequate skilled labor force necessary to operate efficiently and to support our growth strategy. We have from time-to-time experienced shortages of certain types of qualified personnel, such as engineers, project managers, field supervisors, and linemen, in certain regions. In addition, our projects are sometimes located in remote areas which can make recruitment and deployment of our employees challenging. During periods with large volumes of storm restoration services work, linemen are frequently recruited across geographic regions to satisfy demand. Many linemen are willing to travel to earn premium wages for such work, which from time-to-time makes it difficult for us to retain these workers for ongoing projects when storm conditions persist. The supply of experienced engineers, project managers, field supervisors, linemen and other skilled workers may not be sufficient to meet current or expected demand. The commencement of new, large-scale infrastructure projects or increased demand for infrastructure improvements, as well as the shrinking electric utility workforce, may reduce the pool of skilled workers available to us. Labor shortages could impair our ability to maintain our business or grow our revenues. If we are unable to hire employees with the requisite skills, we may also be forced to incur significant training expenses.

The timing of new contracts and termination of existing contracts may result in unpredictable fluctuations in our cash flows and financial results.

A substantial portion of our revenues are derived from project-based work that is awarded through a competitive bid process. It is generally very difficult to predict the timing and geographic distribution of the projects that we will be awarded. The selection of, timing of, or failure to obtain projects, delays in awards of projects, the re-bidding or termination of projects due to budget overruns, cancellations of projects or delays in completion of contracts could result in the under-utilization of our assets, including our fleet of construction equipment, which could lower our overall profitability and reduce our cash flows. Even if we are awarded contracts, we face additional risks that could affect whether, or when, work will begin. This can present difficulty in matching workforce size and equipment location with contract needs. In some cases, we may be required to bear the cost of a ready workforce and equipment that is larger than necessary, which could impact our cash flow, expenses and profitability. If an expected contract award or the related work release is delayed or not received, we could incur substantial costs without receipt of any corresponding revenues. Moreover, construction projects for which our services are contracted may require significant expenditures by us prior to receipt of relevant payments from the customer. Finally, the winding down or completion of work on significant projects that were active in previous periods will reduce our revenue and earnings if such significant projects have not been replaced in the current period.

Many of our contracts may be canceled upon short notice, typically 30 to 90 days, even if we are not in default under the contract, and we may be unsuccessful in replacing our contracts if they are canceled or as they are completed or expire. We could experience a decrease in our revenue, net income and liquidity if contracts are canceled and if we are unable to replace canceled, completed or expired contracts. Certain of our customers assign work to us on a project-by-project basis under MSAs. Under these agreements, our customers often have no obligation to assign a specific amount of work to us. Our operations could decline significantly if the anticipated volume of work is not assigned to us or is cancelled. Many of our contracts, including our MSAs, are opened to competitive bid at the expiration of their terms. There can be no assurance that we will be the successful bidder on our existing contracts that come up for re-bid.

Backlog may not be realized or may not result in profits and may not accurately represent future revenue.

Backlog is difficult to determine accurately, and companies within our industry may define backlog differently. Reductions in backlog due to cancellation, termination or scope adjustment by a customer or for other reasons could significantly reduce the revenue and profit we actually receive from contracts in backlog. In the event of a project cancellation, termination or scope adjustment, we typically have no contractual right to the total revenues reflected in our backlog. The timing of contract awards, duration of large new contracts and the mix of services, subcontracted work and material in our contracts can significantly affect backlog reporting. Given these factors and our method of calculating backlog, our backlog at any point in time may not accurately represent the revenue that we expect to realize during any period, and our backlog as of the end of a fiscal year may not be indicative of the revenue we expect to earn in the following fiscal year and should not be viewed or relied upon as a stand-alone indicator. Consequently, we cannot provide assurance as to our customers' requirements or our estimates of backlog. See "Item 1. Business-Backlog" for a discussion on how we calculate backlog for our business.

Our business growth could outpace the capability of our internal resources and limit our ability to support growth.

Our internal resources, including our workforce, specialized equipment and financial resources, may not be adequate to support our operations as they expand, particularly if we are awarded a significant number of large projects in a short time period. A large project may require hiring additional qualified personnel, such as engineers, project managers, field supervisors, linemen and safety personnel, the supply of which may not be sufficient to meet our demands.

Often large transmission projects require specialized equipment. To the extent that we are unable to buy or build equipment necessary for a project, either due to a lack of available funding or equipment shortages in the marketplace, we may be forced to rent equipment on a short-term basis or to find alternative ways to perform the work without the benefit of equipment ideally suited for the job, which could increase the costs of completing the project. Furthermore, we may be unable to buy or rent the specialty equipment and tooling we require due to the limited number of manufacturers and distributors in the marketplace.

Larger projects may require substantial financial resources to meet the cash flow, bonding or letter of credit requirements imposed upon contractors by the customer. Future growth also could impose additional demands and responsibilities on members of our senior management.

Our dependence on suppliers, subcontractors and equipment manufacturers could expose us to the risk of loss in our operations.

On certain projects, we rely on suppliers to obtain the necessary materials and subcontractors to perform portions of our services. We also rely on equipment manufacturers to provide us with the equipment required to conduct our operations. Although we are not dependent on any single supplier, subcontractor or equipment manufacturer, any substantial limitation on the availability of required suppliers, subcontractors or equipment manufacturers could negatively impact our operations. The risk of a lack of available suppliers, subcontractors or equipment manufacturers may be heightened as a result of market and economic conditions. To the extent we cannot engage subcontractors or acquire equipment or materials, we could experience losses in the performance of our operations. Additionally, successful completion of our contracts may depend on whether our subcontractors successfully fulfill their contractual obligations. If our subcontractors fail to perform their contractual obligations as a result of financial or other difficulties, or if our subcontractors fail to meet the expected completion dates or quality standards, we may be required to incur additional costs or provide additional services in order to make up such shortfall and we may suffer damage to our reputation.

Our participation in joint ventures and other projects with third parties may expose us to liability for failures of our partners.

We may enter into joint venture or other strategic arrangements with other parties as part of our business operations. Success on a jointly performed project depends in large part on whether all parties satisfy their contractual obligations. Joint venture partners are generally jointly and severally liable for all liabilities and obligations of the joint venture. If a joint venture partner fails to perform or is financially unable to bear its portion of required capital contributions or other obligations, including liabilities relating to claims or lawsuits, we could be required to make additional investments, provide additional services or pay more than our proportionate or agreed upon share of a liability to compensate for the partner’s shortfall. In addition, if we are unable to adequately address our partner’s performance issues, the customer may terminate the project, which could result in legal liability to us, reduce our profit on the project or damage our reputation.

Legislative or regulatory actions relating to electricity transmission and renewable energy may impact demand for our services.

Current and potential legislative or regulatory actions may impact demand for our services. Certain legislation or regulations require utilities to meet reliability standards and encourage installation of new electric transmission and renewable energy generation facilities. However, it is unclear whether these initiatives will create sufficient incentives for projects or result in increased demand for our services.

While many states have mandates in place that require specified percentages of electricity to be generated from renewable sources, states could reduce those mandates or make them optional, which could reduce, delay or eliminate renewable energy development in the affected states. Additionally, renewable energy is generally more expensive to produce and may require additional power generation sources as backup. The locations of renewable energy projects are often remote and may not be viable unless new or expanded transmission infrastructure to transport the electricity to demand centers is economically feasible. Furthermore, funding for renewable energy initiatives may not be available. These factors could result in fewer renewable energy projects and a delay in the construction of these projects and the related infrastructure, which could negatively impact our business.

Our use of percentage-of-completion accounting could result in a reduction or reversal of previously recognized profits.

As discussed in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results from Operations — Critical Accounting Policies” and in the notes to our Financial Statements, a significant portion of our revenues is recognized on a percentage-of-completion method of accounting, using the cost-to-cost method. This method is used because management considers expended costs to be the best available measure of progress on these contracts. This accounting method is commonly used in the construction industry for fixed-price contracts. The percentage-of-completion accounting practice we use results in our recognizing contract revenues and earnings ratably over the contract term in proportion to our incurrence of contract costs. The earnings or losses recognized on individual contracts are based on estimates of contract revenues, costs and profitability. Contract losses are recognized in full when determined, and contract profit estimates are adjusted based on ongoing reviews of contract profitability. In addition, we record adjustments to estimated costs of contracts when we believe the change in estimate is probable and the amounts can be reasonably estimated. These adjustments could result in both increases and decreases in profit margins. Actual results could differ from estimated amounts and could result in a reduction or elimination of previously recognized earnings.

Our actual costs may be greater than expected in performing our fixed-price and unit-price contracts.

We currently generate, and expect to continue to generate, a significant portion of our revenues and profits under fixed-price and unit-price contracts. We must estimate the costs of completing a particular project when we bid for these types of contracts. The actual cost of labor and materials, however, may vary from the costs we originally estimated and we may not be successful in recouping additional costs from our customers. These variations, along with other risks inherent in performing fixed-price and unit-price contracts, may cause actual revenue and gross profits for a project to differ from those we originally estimated and could result in reduced profitability or losses on projects due to changes in a variety of factors such as:

- failure to properly estimate costs of engineering, material, equipment or labor;
- inefficient labor performance;
- unanticipated technical problems with the materials or services being supplied by us, which may require us to incur additional costs to remedy the problem;
- project modifications that create unanticipated costs;
- changes in the costs of equipment, materials, labor or subcontractors;
- the failure of our suppliers or subcontractors to perform;
- difficulties in our customers obtaining required governmental permits or approvals;
- site conditions that differ from those assumed in the original bid (to the extent contract remedies are unavailable);
- the availability and skill level of workers in the geographic location of the project;
- an increase in the cost of fuel or other resources;
- changes in local laws and regulations;
- delays caused by local weather conditions, third parties or customers; or
- quality issues requiring rework.

Our financial results are based upon estimates and assumptions that may differ from actual results.

In preparing our financial statements in conformity with generally accepted accounting principles in the United States (“U.S. GAAP”), estimates and assumptions are used by management in determining the reported amounts of assets and liabilities, revenues and expenses recognized during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of our financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available or is not capable of being readily calculated. In some cases, these estimates are particularly difficult to determine, and we must exercise significant judgment.

The most significant estimates we use are related to costs to complete contracts, pending change orders and claims, shared savings, insurance reserves, income tax reserves, estimates surrounding stock-based compensation, the recoverability of goodwill and intangibles, and accounts receivable reserves. We also may use estimates in our assessment of the useful lives of property and equipment, the valuation allowance on deferred taxes and the provision for income taxes. From time-to-time, we may publicly provide earnings or other forms of guidance, which reflect our predictions about future revenue, operating costs and capital structure, among other factors. These predictions may be impacted by estimates, as well as other factors that are beyond our control and may not turn out to be correct. Actual results for all estimates could differ materially from the estimates and assumptions that we use.

We maintain insurance policies with respect to automobile liability, general liability, workers' compensation, and other coverages, but those policies do not cover all possible claims and are subject to certain deductible limits. We also have an employee health care benefit plan for employees not subject to collective bargaining agreements, which is subject to certain deductible limits. Insurance losses are accrued based upon our estimates of the ultimate liability for claims reported and an estimate of claims incurred but not yet reported. However, insurance liabilities are difficult to assess and estimate due to unknown factors, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents not reported and the effectiveness of our safety programs, and as a result, our actual losses may exceed our estimates.

The loss of a key customer could have an adverse affect on us.

Our customer base is highly concentrated, with our top ten customers accounting for 46.4% of our revenue for the year ended December 31, 2016. Much of our success depends on developing and maintaining relationships with our major customers. Our revenue could significantly decline if we lose one or more of our significant customers. In addition, revenues generated from contracts with significant customers may vary from period-to-period depending on the timing and volume of work ordered by such customers in a given period and as a result of competition from the in-house service organizations of our customers.

Our failure to comply with environmental and other laws and regulations could result in significant liabilities.

Our past, current and future operations are subject to numerous environmental and other laws and regulations governing our operations, including the use, transport and disposal of non-hazardous and hazardous substances and wastes, as well as emissions and discharges into the environment, including discharges to air, surface water, groundwater and soil. We also are subject to laws and regulations that impose liability and cleanup responsibility for releases of hazardous substances into the environment. Under certain of these laws and regulations, such liabilities can be imposed for cleanup of previously owned or operated properties, or properties to which hazardous substances or wastes were discharged by current or former operations at our facilities, regardless of whether we directly caused the contamination or violated any law at the time of discharge or disposal. The presence of contamination from such substances or wastes could interfere with ongoing operations or adversely affect our ability to sell, lease or otherwise use our properties in ways such as collateral for possible financing. We could also be held liable for significant penalties and damages under certain environmental laws and regulations, which could materially and adversely affect our business and results of operations.

In addition, new laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or leaks, or the imposition of new permitting or cleanup requirements could require us to incur significant costs or become the basis for new or increased liabilities that could harm our financial condition and results of operations. In certain instances, we have obtained indemnification or covenants from third parties (including our predecessor owners or lessors) for some or all of such cleanup and other obligations and liabilities. However, such third-party indemnities or covenants may not cover all of our costs.

Legislative and regulatory proposals related to address greenhouse gas emissions could result in a variety of regulatory programs, additional charges to fund energy efficiency activities, or other regulatory actions. Any of these actions could result in increased costs associated with our operations and impact the prices we charge our customers. If new regulations are adopted regulating greenhouse gas emissions from mobile sources such as cars and trucks, we could experience a significant increase in environmental compliance costs in light of our large fleet. In addition, if our operations are perceived to result in high greenhouse gas emissions, our reputation could suffer.

In addition, we are subject to laws and regulations protecting endangered species. Laws also protect Native American artifacts and archaeological sites and a part of our business is operated in the southwestern United States, where there is a greater chance of discovering those sites. We may incur work stoppages to avoid violating these laws and regulations, or we may risk fines or other sanctions for accidentally or willfully violating these laws and regulations.

Unavailability or cancellation of third party insurance coverages would increase our overall risk exposure and could disrupt our operations.

We maintain insurance coverages from third party insurers as part of our overall risk management strategy and because some of our contracts require us to maintain specific insurance coverage limits. Although we maintain insurance policies with respect to automobile liability, general liability, workers' compensation, our employee group health program, and other types of coverages, these policies are subject to high deductibles, and we are self-insured up to the amount of those deductibles. There can be no assurance that our current or past insurance coverages will be sufficient or effective under all circumstances or against all claims and liabilities to which we may be subject.

We renew our insurance policies on an annual basis; therefore, deductibles and levels of insurance coverages may change in future periods. There can be no assurance that any of our existing insurance coverages will be renewed upon the expiration of the coverage period or that future coverage will be affordable at the required limits. In addition, insurers may fail, cancel our coverage, determine to exclude certain items from coverage, or otherwise be unable to provide us with adequate insurance coverage. We may not be able to obtain certain types of insurance or incremental levels of insurance in scope or amount sufficient to cover liabilities we may incur.

If any of these events occurs, our overall risk exposure would increase and our operations could be disrupted. If our risk exposure increases as a result of adverse changes in our insurance coverages, we could be subject to increased claims and liabilities that could negatively affect our results of operations and financial condition.

We extend trade credit to customers for purchases of our services, and may have difficulty collecting receivables from them.

We grant trade credit, generally without collateral, to our customers for the purchase of our services. We have in the past, and may in the future, have difficulty collecting receivables from customers, particularly those experiencing financial difficulties. Our customers in the T&D segment include investor-owned utilities, cooperatives, private developers, government-funded utilities, independent power producers, independent transmission companies, industrial facility owners and other contractors. Our customers in the C&I segment include general contractors, commercial and industrial facility owners, local governments and developers located in our regional markets. Our customers also include special purpose entities that own T&D projects which do not have the financial resources of traditional transmission utility operators. Consequently, we are subject to potential credit risk related to changes in business and economic factors. Due to our work on large construction projects, a few customers sometimes may comprise a large portion of our receivable balance at any point in time. If any of our major customers experience financial difficulties, we could experience reduced cash flows and losses in excess of current allowances provided. In addition, material changes in any of our customers' revenues or cash flows could affect our ability to collect amounts due from them.

We may not be able to compete for, or work on, certain projects if we are not able to obtain necessary bonds, letters of credit, bank guarantees or other financial assurances.

Our contracts may require that we provide to our customers security for the performance of their projects in the form of bonds, letters of credit, bank guarantees or other financial assurances. Current or future market conditions, including losses incurred in the construction industry or as a result of large corporate bankruptcies, as well as changes in our sureties' assessment of our operating and financial risk, could cause our surety providers and lenders to decline to issue or renew, or substantially reduce the amount of, bid or performance bonds for our work and could increase our costs associated with collateral. These actions could be taken on short notice. If our surety providers or lenders were to limit or eliminate our access to bonding, letters of credit or guarantees, our alternatives would include seeking capacity from other sureties and lenders, finding more business that does not require bonds or allows for other forms of collateral for project performance, such as cash. We may be unable to secure these alternatives in a timely manner, on acceptable terms, or at all, which could affect our ability to bid for or work on future projects requiring financial assurances.

We have also granted security interests in various of our assets to collateralize our obligations to our sureties and lenders. Furthermore, under standard terms in the surety market, sureties issue or continue bonds on a project-by-project basis and can decline to issue bonds at any time or require the posting of additional collateral as a condition to issuing or renewing any bonds. If we were to experience an interruption or reduction in the availability of bonding capacity as a result of these or any other reasons, we may be unable to compete for or work on certain projects that would require bonding.

Inability to hire or retain key personnel could disrupt our business.

The success of our business depends upon the continued efforts and abilities of our executive officers and senior management, including the management at each operating subsidiary. The relationships between our executive officers and senior management and our customers are important to obtaining and retaining business. We are also dependent upon our project managers and field supervisors who are responsible for managing and recruiting employees to our projects. There can be no assurance that any individual will continue in his or her capacity for any particular period of time. Industry-wide competition for managerial talent is high. Given that level of competition, there could be situations where our overall compensation package may be viewed as less attractive as compared to our competition, and we may experience the loss of key personnel. The loss of key personnel, or the inability to hire and retain qualified employees, could negatively impact our ability to manage our business and relationships with our customers.

Our business may be affected by seasonal and other variations, including severe weather conditions.

Although our revenues are primarily driven by spending patterns in our customers' industries, our revenues and results of operations can be subject to seasonal variations, particularly in our T&D segment. These variations are influenced by weather, hours of daylight, customer spending patterns, available system outages from utilities and holidays, and can have a significant impact on our gross margins. Our profitability may decrease during the winter months and during severe weather conditions because work performed during these periods may be restricted and more costly to complete. Additionally, our T&D customers often cannot remove their T&D lines from service during the summer months when consumer demand for electricity is at its peak, delaying the demand for our maintenance and repair services. Working capital needs are also influenced by the seasonality of our business. We generally experience a need for additional working capital during the spring when we increase outdoor construction in weather-affected regions of the country, and we convert working capital assets to cash during the winter months.

We may fail to execute or integrate acquisitions or joint ventures successfully.

As part of our growth strategy, we may acquire companies or enter into joint ventures that expand, complement or diversify our business. The number of acquisition targets or joint venture opportunities that meet our criteria may be limited, and we may face competition for these opportunities. Acquisitions or joint ventures that we may pursue may also involve significant cash expenditures, the incurrence or assumption of debt or burdensome regulatory requirements.

Future acquisitions or joint ventures may expose us to operational challenges and risks, including the diversion of management's attention from our existing business, the failure to retain key personnel or customers of an acquired business, difficulties integrating the operations and personnel, failure of acquired companies to achieve the results we expect, the assumption of unknown liabilities of the acquired business for which there are inadequate reserves and the potential impairment of acquired intangible assets. Our ability to grow and maintain our competitive position may be affected by our ability to successfully integrate any businesses acquired.

Work stoppages or other labor issues with our unionized workforce could adversely affect our business.

As of December 31, 2016, approximately 91% of our craft labor employees were covered by collective bargaining agreements. Although the majority of these agreements prohibit strikes and work stoppages, we cannot be certain that strikes or work stoppages will not occur in the future. Strikes or work stoppages could adversely impact our relationships with our customers and could cause us to lose business, resulting in decreased revenues.

Multi-employer pension plan obligations related to our unionized workforce could adversely impact our earnings.

Our collective bargaining agreements may require us to participate with other companies in various multi-employer pension plans. To the extent that we participate in any multi-employer pension plans that are underfunded, the Employee Retirement Income Security Act of 1974, as amended by the Multi-Employer Pension Plan Amendments Act of 1980, may subject us to substantial liabilities under those plans if we were to withdraw from them, if they were terminated or experience a mass withdrawal. Furthermore, the Pension Protection Act of 2006, as amended by the Consolidated and Further Continuing Appropriations Act of 2015 (the "PPA") imposes additional funding and operational rules applicable to plan years beginning after 2007 for multi-employer pension plans that are classified as either "endangered," "seriously endangered" or "critical" status. Plans in these classifications must adopt measures to improve their funded status, which may require additional employer contributions and/or modifications to employee benefits based on future union wages paid.

We have been informed that several of the multi-employer pension plans to which our subsidiaries contribute have been classified as "critical" or "endangered" status as defined by the PPA. Although we are not currently aware of any potential significant liabilities to us as a result of these plans being classified as being in a "critical" or "endangered" status, our future financial results could be impacted by the amended funding rules.

We may not have access in the future to sufficient funding to finance desired growth and operations.

If we cannot secure funds in the future, including financing on acceptable terms, we may be unable to support our growth strategy or future operations. Our credit facility contains numerous covenants and requires us to meet and maintain certain financial ratios and other tests. General business and economic conditions may affect our ability to comply with these covenants or meet those financial ratios and other tests, which may limit our ability to borrow under the facility.

Restrictions in the availability of bank credit could cause us to forgo otherwise attractive business opportunities and could require us to modify our business plan. We will continue to closely monitor our liquidity and the overall condition of the financial markets; however, we can give no assurance that we will be able to obtain such financing either on favorable terms or at all in the future.

Our operations are subject to a number of operational risks which may result in unexpected costs or liabilities.

Unexpected costs or liabilities may arise from lawsuits or indemnity claims related to the services we perform or have performed in the past. We have in the past been, and may in the future be, named as a defendant in lawsuits, claims and other legal proceedings during the ordinary course of our business. These actions may seek, among other things, compensation for alleged personal injury, workers' compensation, employment discrimination, breach of contract, property damage, environmental remediation, punitive damages, civil penalties or other losses, consequential damages or injunctive or declaratory relief. In addition, pursuant to our service arrangements, we generally indemnify our customers for claims related to the services we provide under those service arrangements. In some instances, our services are integral to the operation and performance of the electric distribution and transmission infrastructure. As a result, we may become subject to lawsuits or claims for any failure of the systems we work on, even if our services are not the cause for such failures. In addition, we may incur civil and criminal liabilities to the extent that our services contributed to any personal injury or property damage. The outcome of any of these lawsuits, claims or legal proceedings could result in significant costs and diversion of managements' attention to the business.

Opportunities associated with government contracts could lead to increased governmental regulation applicable to us.

Most government contracts are awarded through a regulated competitive bidding process. If we were to be successful in being awarded government contracts, significant costs could be incurred by us before any revenues were realized from these contracts. Government agencies may review a contractor's performance, cost structure and compliance with applicable laws, regulations and standards. If government agencies determine through these reviews that costs were improperly allocated to specific contracts, they will not reimburse the contractor for those costs or may require the contractor to refund previously reimbursed costs. If government agencies determine that we engaged in improper activity, we may be subject to civil and criminal penalties. Government contracts are also subject to renegotiation of profit and termination by the government prior to the expiration of the term.

Risks associated with operating in the Canadian market could restrict our ability to expand and harm our business and prospects.

There are numerous inherent risks in conducting our business in a different country including, but not limited to, potential instability in markets, political, economic or social conditions, and difficult or additional legal and regulatory requirements applicable to our operations. Limits on our ability to repatriate earnings, exchange controls, and complex U.S. and Canadian laws and treaties could also adversely impact our operations. Changes in the value of the Canadian dollar could increase or decrease the U.S. dollar value of our profits earned or assets held in Canada or potentially limit our ability to reinvest earnings from our operations in Canada to fund the financing requirements of our operations in the U.S. These risks could restrict our ability to provide services to Canadian customers or to operate our Canadian business profitably, and could negatively impact our results.

Our failure to comply with the laws applicable to our Canadian activities, including the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws, could have an adverse effect on us.

The U.S. Foreign Corrupt Practices Act ("FCPA") and similar anti-bribery laws in other jurisdictions prohibit U.S.-based companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. Our policies mandate compliance with all applicable anti-bribery laws. Although we have policies and procedures designed to ensure that we, our employees, our agents and others who work with us in foreign countries comply with the FCPA and other anti-bribery laws, there is no assurance that such policies or procedures will protect us against liability under the FCPA or other laws for actions taken by our agents, employees and intermediaries. If we are found to be liable for FCPA violations (either due to our own acts or inadvertence, or due to the acts or inadvertence of others), we could suffer from severe criminal or civil penalties or other sanctions, which could have a material adverse effect on our reputation, business, results of operations, financial condition or cash flows. In addition, detecting, investigating and resolving actual or alleged FCPA violations is expensive and could consume significant time and attention of our senior management.

The nature of our business exposes us to warranty claims, which may reduce our profitability.

Under our contracts with customers, we typically provide a warranty for the services we provide, guaranteeing the work performed against defects in workmanship and material. As much of the work we perform is inspected by our customers for any defects in construction prior to acceptance of the project, the warranty claims that we have historically received have been minimal. Additionally, materials used in construction are often provided by the customer or are warranted against defects from the supplier. However, certain projects may have longer warranty periods and include facility performance warranties that may be broader than the warranties we generally provide. In these circumstances, if warranty claims occurred, it could require us to re-perform the services or to repair or replace the warranted item, at a cost to us, and could also result in other damages if we are not able to adequately satisfy our warranty obligations. In addition, we may be required under contractual arrangements with our customers to warrant any defects or failures in materials we provide that we purchase from third parties. While we generally require suppliers to provide us warranties that are consistent with those we provide to the customers, if any of these suppliers default on their warranty obligations to us, we may incur costs to repair or replace the defective materials for which we are not reimbursed. Costs incurred as a result of warranty claims could adversely affect our operating results, financial condition and cash flows.

Certain provisions in our organizational documents and Delaware law could delay or prevent a change in control of our company.

The existence of certain provisions in our organizational documents and Delaware law could delay or prevent an unsolicited change in control of our company, even if a change of control might be beneficial to our shareholders. For example, provisions in our certificate of incorporation and by-laws that could delay or prevent a change in control of our company include: a staggered board of directors, the potential of our board of directors to authorize the issuance of preferred stock, the power of a majority of our board of directors to fix the number of directors, the power of our board of directors to fill a vacancy on the board of directors, including when such vacancy occurs as a result of an increase in the number of directors, the requirement that actions to be taken by our stockholders may be taken only at an annual or special meeting of our stockholders and not by written consent, and advance notice provisions for director nominations or business to be considered at a stockholder meeting. In addition, Delaware law imposes restrictions on mergers and other business combinations between us and an interested stockholder (defined as the holder of 15% or more of our outstanding common stock), and prohibits us from engaging in any of a broad range of business transactions with an interested stockholder, or an interested stockholder's affiliates and associates, for a period of three years following the date such stockholder became an interested stockholder.

We, or our business partners, may be subject to failures, interruptions or breaches of information technology systems, which could affect our operations, competitive position or damage our reputation.

We use our own information technology systems as well as our business partners' systems to maintain certain data and provide reports. The failure of these systems to operate effectively or problems with transitioning to upgraded or replacement systems could cause delays and reduce the efficiency of our operations, which could have a material adverse effect on our results of operations, and significant costs could be incurred to remediate the problem. Additionally, our security measures, and those of our business partners, may be compromised as a result of third-party security breaches, employee error, malfeasance, faulty password management, or other irregularity, and may result in persons obtaining unauthorized access to our data or accounts. While we devote significant resources to network security and other security measures to protect our systems and data, these security measures cannot provide absolute security. If a security breach affects our informational technology systems, or results in the unauthorized release of our proprietary information, our competitive situation or our reputation could be damaged.

Our stock has experienced significant price and volume fluctuations and future sales of our common stock could lead to dilution of our issued and outstanding common stock.

From time to time, the price and trading volume of our common stock, as well as the stock of other companies in our industry, may experience periods of significant volatility in response to various factors and events beyond our control. Company-specific issues and developments generally in our industry (including the regulatory environment) and the capital markets and the economy in general may cause this volatility. We may issue equity securities in the future, including securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. The issuance of additional shares of our common stock or other equity securities, including sales of shares in connection with any future acquisitions, could be substantially dilutive to our stockholders. In addition numerous factors could have a significant effect on the price of our common stock, including but not limited to:

- announcements of fluctuations in our operating results or the operating results of one of our competitors;
- market conditions in our customers' industries;
- capital spending plans of our significant customers;
- announcements by us or one of our competitors of new or terminated customers or new, amended or terminated contracts;

- announcements of acquisitions by us or one of our competitors;
- changes in recommendations or earnings estimates by securities analysts;
- future repurchases of our common stock; and
- future sales of our common stock or other securities, including any shares issued in connection with business acquisitions or earn-out obligations for any future acquisitions.

Our internal controls over financial reporting and our disclosure controls and procedures may not prevent all possible errors that could occur. Internal controls over financial reporting and disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objective will be met.

On a quarterly basis we evaluate our internal controls over financial reporting and our disclosure controls and procedures, which include a review of the objectives, design, implementation and effectiveness of the controls and the information generated for use in our periodic reports. In the course of our controls evaluation, we seek to identify data errors, control problems and to confirm that appropriate corrective actions, including process improvements, are being undertaken.

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be satisfied. Internal controls over financial reporting and disclosure controls and procedures are designed to give reasonable assurance that they are effective and achieve their objectives. We cannot provide absolute assurance that all possible future control issues have been detected. These inherent limitations include the possibility that our judgments can be faulty, and that isolated breakdowns can occur because of human error. The design of our system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed absolutely in achieving our stated goals under all potential future or unforeseeable conditions. We may discover in the future that we have deficiencies in the design and operation of our internal controls. If any deficiency in our internal controls, either by itself or in combination with other deficiencies, becomes a "material weakness", such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis, we may be unable to conclude that we have effective internal control over financial reporting. In such event, investors could lose confidence in the reliability of our financial statements, which may significantly harm our business and cause our stock price to decline.

We are subject to risks associated with climate change.

Climate change may create physical and financial risk. Physical risks from climate change could, among other things, include an increase in extreme weather events (such as floods or hurricanes), rising sea levels and limitations on water availability and quality. Such extreme weather conditions may limit the availability of resources, increasing the costs of our projects, or may cause projects to be delayed or cancelled.

Additionally, legislative and regulatory responses related to climate change and new interpretations of existing laws through climate change litigation may also negatively impact our operations. The cost of additional environmental regulatory requirements could impact the availability of goods and increase our costs. International treaties or accords could also have an impact on our business to the extent they lead to future governmental regulations. Compliance with any new laws or regulations regarding the reduction of greenhouse gases could result in significant changes to our operations and a significant increase in our cost of conducting business.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our principal executive offices are located at 1701 Golf Road, Suite 3-1012, Rolling Meadows, Illinois 60008, the lease term of which expires on January 31, 2020. In addition to our executive offices, our corporate accounting and finance departments, corporate information technology department and certain legal and other personnel are located at this office. As of December 31, 2016, we owned 15 operating facilities and leased many other properties in various locations throughout our service territory. Most of our properties are used as offices or for fleet operations. We believe that our facilities are adequate for our current operating needs. We do not believe that any owned or leased facility is material to our operations and, if necessary, we could obtain replacement facilities for our leased facilities.

Item 3. Legal Proceedings

We are, from time-to-time, party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract and/or property damages, punitive damages, civil and criminal penalties or other losses, or injunctive or declaratory relief. With respect to all such lawsuits, claims and proceedings, we record reserves when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. We do not believe that any of these proceedings, separately or in the aggregate, would be expected to have a material adverse effect on our financial position, results of operations, or cash flows.

We are routinely subject to other civil claims, litigation and arbitration, and regulatory investigations arising in the ordinary course of our past and present businesses as well as in respect of our divested businesses. Some of these include claims related to our services and operations, and asbestos-related claims concerning operations of a divested subsidiary of our predecessor. We believe that we have strong defenses to these claims as well as insurance coverage that will contribute to any settlement or liability in the event any asbestos-related claim is not resolved in our favor. These claims have not had a material impact on us to date, and we believe the likelihood that a future material adverse outcome will result from these claims is remote. However, if facts and circumstances change in the future, we cannot be certain that an adverse outcome of one or more of these claims would not have a material adverse effect on our financial condition, results of operations, or cash flows.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock, par value $0.01, is listed on The NASDAQ Global Market under the symbol “MYRG.”

The following table sets forth the high and low sales prices of our common stock per share, as reported by The NASDAQ Global Market for each of the periods listed:

	High	Low
Year Ended December 31, 2016		
First Quarter	$ 25.69	$ 17.77
Second Quarter	$ 26.70	$ 22.59
Third Quarter	$ 30.38	$ 21.84
Fourth Quarter	$ 41.43	$ 28.34
Year Ended December 31, 2015		
First Quarter	$ 32.24	$ 24.55
Second Quarter	$ 31.92	$ 27.90
Third Quarter	$ 31.70	$ 25.40
Fourth Quarter	$ 27.52	$ 18.18

Holders of Record

As of March 3, 2017, we had 16 holders of record of our common stock.

Dividend Policy

We have neither declared nor paid any cash dividend on our common stock since our common stock began trading publicly on August 12, 2008. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to compliance with legal requirements and covenants under any existing financing agreements, which may restrict or limit our ability to declare or pay dividends, and will depend on our financial condition, results of operations, capital requirements, general business conditions, and other factors that our board of directors may deem relevant.

Performance Graph

The following Performance Graph and related information shall be deemed “furnished” and not “filed” for purposes of Section 18 of the Exchange Act, and such information shall not be incorporated by reference into any future filing under the Securities Act or the Exchange Act except to the extent that we specifically incorporate it by reference into such filing.

The following graph compares, for the period from December 31, 2011 to December 31, 2016, the cumulative total stockholder return on our common stock with the cumulative total return on the Standard & Poor’s 500 Index (the “S&P 500 Index”), the Russell 2000 Index, and a peer group index selected by our management that includes fourteen publicly traded companies within our industry (the “Peer Group”). The comparison assumes that $100 was invested on December 31, 2011 and further assumes any dividends were reinvested quarterly. The stock price performance reflected on the following graph is not necessarily indicative of future stock price performance.

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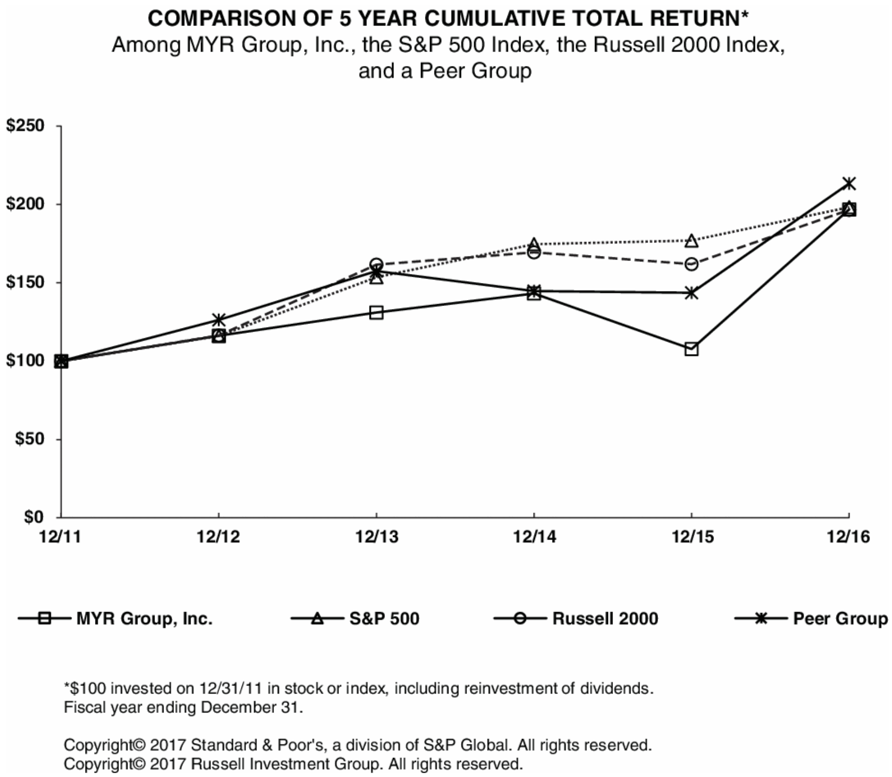
The companies in the Peer Group were selected because they comprise a broad group of publicly traded companies, each of which has some operations similar to ours. When taken as a whole, the Peer Group more closely resembles our total business than any individual company in the group while reducing the impact of a significant change in any one of the Peer Group company's stock price. The Peer Group is composed of the following companies:

Aegion Corporation	Granite Construction Incorporated	Quanta Services, Inc.*
Astec Industries, Inc.	IES Holdings, Inc.	Tetra Tech, Inc.
Comfort Systems USA, Inc.	MasTec, Inc.*	TRC Companies, Inc.
Dycom Industries, Inc.	Matrix Service Company	Willbros Group, Inc.*
EMCOR Group*	Primoris Services Corporation	

* Considered our core group of peers with a more significant portion of operations being similar to ours than the overall group. Graph presents entire Peer Group.



	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016
MYR Group Inc.	100.00	116.25	131.03	143.16	107.68	196.87
S&P 500	100.00	116.00	153.58	174.60	177.01	198.18
Russell 2000	100.00	116.35	161.52	169.43	161.95	196.45
Peer Group	100.00	126.32	157.41	144.69	143.65	213.44

Item 6. Selected Financial Data

The following table sets forth certain summary financial information on a historical basis. The summary statement of operations and the balance sheet data set forth below have been derived from our audited Financial Statements and footnotes thereto included elsewhere in this filing or in prior filings. Our Financial Statements have been prepared in accordance with U.S. GAAP. Historical results are not necessarily indicative of the results we expect in the future and quarterly results are not necessarily indicative of the results of any future quarter or any full-year period. The information below should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results from Operations" and the Financial Statements and notes thereto included in this annual report on Form 10-K.

Statement of operations data:

	For the year ended December 31,				
(in thousands, except per share data)	**2016**	**2015**	**2014**	**2013**	**2012**
Contract revenues	$1,142,487	$1,061,681	$ 943,967	$ 902,729	$ 998,959
Contract costs	1,007,764	939,340	811,553	777,852	880,306
Gross profit	134,723	122,341	132,414	124,877	118,653
Selling, general and administrative expenses	96,424	79,186	73,818	69,818	63,575
Amortization of intangible assets	886	571	334	335	335
Gain on sale of property and equipment	(1,341)	(2,257)	(142)	(893)	(1,019)
Income from operations	38,754	44,841	58,404	55,617	55,762
Other income (expense):					
Interest income	5	25	106	9	2
Interest expense	(1,299)	(741)	(722)	(727)	(852)
Other income (expense), net	885	174	162	(27)	(222)
Income before provision for income taxes	38,345	44,299	57,950	54,872	54,690
Income tax expense	16,914	16,997	21,406	20,113	20,428
Net income	$ 21,431	$ 27,302	$ 36,544	$ 34,759	$ 34,262
Income per common share:					
Basic	$ 1.25	$ 1.33	$ 1.73	$ 1.65	$ 1.67
Diluted	$ 1.23	$ 1.30	$ 1.69	$ 1.61	$ 1.60
Weighted average number of common shares and potential common shares outstanding:					
Basic	17,109	20,577	20,922	20,821	20,391
Diluted	17,461	21,038	21,466	21,431	21,172

Balance sheet data:

(in thousands)	As of December 31, 2016	2015	2014	2013	2012
Cash and cash equivalents	$ 23,846	$ 39,797	$ 77,636	$ 76,454	$ 19,825
Working capital[1]	129,277	123,630	141,913	119,570	89,507
Total assets	573,495	524,925	520,086	525,422	466,348
Long-term debt	59,070	—	—	—	—
Total liabilities	310,321	195,045	197,533	229,331	211,658
Stockholders' equity	$ 263,174	$ 329,880	$ 322,553	$ 296,091	$ 254,690

Other Data: (Unaudited)

(in thousands)	For the year ended December 31, 2016	2015	2014	2013	2012
Net cash flows provided by operating activities	$ 54,490	$ 43,000	$ 54,976	$ 95,062	$ 29,999
Net cash flows used in investing activities	(34,128)	(56,928)	(38,725)	(41,574)	(36,045)
Net cash flows (used in) provided by financing activities	(35,539)	(23,911)	(15,069)	3,141	(8,142)
Depreciation and amortization[2]	39,122	38,029	33,423	29,195	25,156
Capital expenditures	25,371	46,599	39,045	42,725	37,249
Backlog[3]	688,832	450,934	433,641	326,094	497,579
EBITDA[4]	$ 78,761	$ 83,044	$ 91,989	$ 84,785	$ 80,696

(1) Working capital represents total current assets less total current liabilities.

(2) Depreciation and amortization includes depreciation on capital assets, amortization of capital leases and amortization of finite-lived intangible assets.

(3) Backlog represents our estimated revenue on uncompleted contracts, including the amount of revenue on contracts on which work has not begun, minus the revenue we have recognized under such contracts. See "Item 1. Business-Backlog" for a discussion on how we calculate backlog for our business and "Item 1A. Risk Factors-Backlog may not be realized or may not result in profits and may not accurately represent future revenue."

(4) EBITDA, a performance measure used by management, is defined as net income (loss) plus: interest income and expense, provision (benefit) for income taxes and depreciation and amortization, as shown in the following table. EBITDA, a non-GAAP financial measure, does not purport to be an alternative to net income as a measure of operating performance or to net cash flows provided by operating activities as a measure of liquidity. Because not all companies use identical calculations, this presentation of EBITDA may not be comparable to other similarly-titled measures of other companies. We use, and we believe investors benefit from the presentation of, EBITDA in evaluating our operating performance because it provides us and our investors with an additional tool to compare our operating performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect our core operations. We believe that EBITDA is useful to investors and other external users of our financial statements in evaluating our operating performance and cash flow because EBITDA is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, useful lives placed on assets, capital structure and the method by which assets were acquired.

Using EBITDA as a performance measure has material limitations as compared to net income, or other financial measures as defined under U.S. GAAP, as it excludes certain recurring items, which may be meaningful to investors. EBITDA excludes interest expense or interest income; however, as we have borrowed money to finance transactions and operations, or invested available cash to generate interest income, interest expense and interest income are elements of our cost structure and can affect our ability to generate revenue and returns for our stockholders. Further, EBITDA excludes depreciation and amortization; however, as we use capital and intangible assets to generate revenues, depreciation and amortization are a necessary element of our costs and ability to generate revenue. Finally, EBITDA excludes income taxes; however, as we are organized as a corporation, the payment of taxes is a necessary element of our operations. As a result of these exclusions from EBITDA, any measure that excludes interest expense, interest income, depreciation and amortization and income taxes has material limitations as compared to net income. When using EBITDA as a performance measure, management compensates for these limitations by comparing EBITDA to net income in each period, to allow for the comparison of the performance of the underlying core operations with the overall performance of the company on a full-cost, after-tax basis. Using both EBITDA and net income to evaluate the business allows management and investors to (a) assess our relative performance against our competitors and (b) monitor our capacity to generate returns for our stockholders.

The following table provides a reconciliation of net income to EBITDA:

	For the year ended December 31,				
(in thousands)	**2016**	**2015**	**2014**	**2013**	**2012**
Net income	$ 21,431	$ 27,302	$ 36,544	$ 34,759	$ 34,262
Interest expense, net	1,294	716	616	718	850
Provision for income taxes	16,914	16,997	21,406	20,113	20,428
Depreciation and amortization(2)	39,122	38,029	33,423	29,195	25,156
EBITDA	$ 78,761	$ 83,044	$ 91,989	$ 84,785	$ 80,696

We also use EBITDA as a liquidity measure. We believe that EBITDA is important for evaluating our ability to comply with certain material covenants contained within our credit agreement (the "Credit Agreement"). Non-compliance with these financial covenants under the Credit Agreement — our interest coverage ratio which is defined in the Credit Agreement as Consolidated EBITDA (as defined in the Credit Agreement) divided by interest expense and our Leverage Ratio (as defined in the Credit Agreement) — could result in our lenders requiring us to immediately repay all amounts borrowed. If we anticipated a potential covenant violation, we would seek relief from our lenders, likely causing us to incur additional cost, and such relief might not be available, or if available, might not be on terms as favorable as those in the Credit Agreement. In addition, if we cannot satisfy these financial covenants, we would be prohibited under the Credit Agreement from engaging in certain activities, such as incurring additional indebtedness, making certain payments, and acquiring or disposing of assets. Based on the information above, management believes that the presentation of EBITDA as a liquidity measure is useful to investors and relevant to their assessment of our capacity to service or incur debt, fund capital expenditures, finance acquisitions and expand our operations.

The following table provides a reconciliation of net cash flows provided by operating activities to EBITDA:

	For the year ended December 31,				
(in thousands)	**2016**	**2015**	**2014**	**2013**	**2012**
Net cash flows provided by operating activities	$ 54,490	$ 43,000	$ 54,976	$ 95,062	$ 29,999
Add/(subtract)					
Changes in operating assets and liabilities	13,795	26,669	23,314	(27,950)	34,120
Adjustments to reconcile net income to net cash flows provided by operating activities	(46,854)	(42,367)	(41,746)	(32,353)	(29,857)
Depreciation and amortization(2)	39,122	38,029	33,423	29,195	25,156
Provision for income taxes	16,914	16,997	21,406	20,113	20,428
Interest expense, net	1,294	716	616	718	850
EBITDA	$ 78,761	$ 83,044	$ 91,989	$ 84,785	$ 80,696

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

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

The following discussions should be read in conjunction with the other sections of this report, including the Financial Statements and related notes contained in Item 8 of this annual report on Form 10-K. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed in "Forward-Looking Statements" and "Risk Factors." We assume no obligation to update any of these forward-looking statements.

Overview-Introduction

We are a leading specialty contractor serving the electrical infrastructure market. We manage and report our operations through two industry segments: T&D and C&I. We have operated in the T&D industry since 1891. We are one of the largest contractors servicing the T&D sector of the electric utility industry in the United States and are expanding our T&D services into Canada. Our customers include many of the leading companies in the industry. We have provided C&I electrical contracting services to facility owners and general contractors since 1912. In 2016, our acquisition of Western Pacific Enterprises Ltd. further expanded our C&I services and enhanced our T&D services in western Canada. We strive to maintain our status as a preferred provider to our T&D and C&I customers.

We believe that we have a number of competitive advantages in both of our segments, including our skilled workforce, extensive centralized fleet, proven safety performance and reputation for timely completion of quality work that allows us to compete favorably in our markets. In addition, we believe that we are better capitalized than some of our competitors, which provides us with valuable flexibility to take on additional and complex projects.

We had revenues, for the year ended December 31, 2016, of $1.142 billion compared to $1.062 billion for the year ended December 31, 2015. For the year ended December 31, 2016, our net income was $21.4 million compared to $27.3 million for the year ended December 31, 2015. The increase in revenue was primarily due to organic and acquisitive growth, partially offset by a decline in revenue in some geographic areas. Our expansion into new markets increased our operating costs, which was the primary cause of our decrease in net income.

Overview-Segments

Transmission and Distribution segment. Our T&D segment provides comprehensive solutions to customers in the electric utility industry and the renewable energy industry. Our T&D segment generally serves the electric utility industry as a prime contractor to customers such as investor-owned utilities, cooperatives, private developers, government-funded utilities, independent power producers, independent transmission companies, industrial facility owners and other contractors. Our T&D segment provides a broad range of services on electric transmission and distribution networks and substation facilities which include design, engineering, procurement, construction, upgrade, maintenance and repair services with a particular focus on construction, maintenance and repair. The demand for transmission construction and maintenance services has increased over the past several years due to the modernization of the existing electric utility infrastructure and the need to integrate renewable generation into the electric power grid.

For the year ended December 31, 2016, our T&D revenues were $819.0 million or 71.7% of our revenue, compared to $794.9 million or 74.9% of our revenue for the year ended December 31, 2015 and $699.6 million or 74.1% of our revenue for the year ended December 31, 2014. Revenues from transmission projects represented 75.8%, 73.9%, and 77.8% of T&D segment revenue for the years ended December 31, 2016, 2015 and 2014, respectively.

Our T&D segment also provides storm restoration services in response to hurricanes, ice storms or other storm related events, which typically account for less than 5% of our annual revenues. In 2016, 2015 and 2014, we recognized revenues from storm restoration services of approximately $7.1 million, $7.7 million and $13.3 million, respectively, which represented approximately 0.6%, 0.7% and 1.4% of our annual revenues, respectively.

Measured by revenues in our T&D segment, we provided 56.9%, 48.4% and 53.1% of our T&D services under fixed-price contracts during the years ended December 31, 2016, 2015 and 2014, respectively. We also provide many services to our customers under multi-year maintenance service agreements and other variable service agreements.

Commercial and Industrial segment. Our C&I segment provides services such as the design, installation, maintenance and repair of commercial and industrial wiring, installation of traffic networks and the installation of bridge, roadway and tunnel lighting. In our C&I segment, we generally provide our electric construction and maintenance services as a subcontractor to general contractors in the C&I industry as well as to facility owners. Our C&I operations are primarily in the western and northeastern United States and in western Canada where we have sufficient scale to deploy the level of resources necessary to achieve significant market share. We concentrate our efforts on projects where our technical and project management expertise are critical to successful and timely execution. The majority of C&I contracts cover electrical contracting services for airports, hospitals, data centers, hotels, stadiums, convention centers, manufacturing plants, processing facilities, waste-water treatment facilities, mining facilities and transportation control and management systems.

For the year ended December 31, 2016, our C&I revenues were $323.5 million or 28.3% of our revenue, compared to $266.8 million or 25.1% of our revenue for the year ended December 31, 2015 and $244.4 million or 25.9% of our revenue for the year ended December 31, 2014.

Measured by revenues in our C&I segment, we provided 73.4%, 71.6% and 41.7% of our services under fixed-price contracts for the years ended December 31, 2016, 2015 and 2014, respectively.

Overview-Revenue and Gross Margins

Revenue Recognition. We recognize revenue on a percentage-of-completion method of accounting, which is commonly used in the construction industry. The percentage-of-completion accounting method results in recognizing contract revenues and earnings ratably over the contract term in proportion to our incurrence of contract costs. The profits or losses recognized on individual contracts are based on estimates of contract revenues, costs and profitability. Contract losses are recognized in full when determined, and contract profit estimates are adjusted based on ongoing reviews of contract profitability. Changes in job performance, labor costs, equipment costs, job conditions, weather, estimated profitability and final contract settlements may result in revisions to costs and income and their effects are recognized in the period in which the revisions are determined. We record adjustments to estimated costs of contracts when we believe the change in estimate is probable and the amounts can be reasonably estimated. These adjustments could result in either increases or decreases in profit margins. The gross margins we record in the current period may not be indicative of margins in future periods.

Gross Margins. Our gross margin can vary between periods as a result of many factors, some of which are beyond our control. These factors include: the mix of revenue derived from the industries we serve, the size and duration of our projects, the mix of business conducted in different parts of the United States and Canada, the mix in service and maintenance work compared to new construction work, the amount of work that we subcontract, the amount of material we supply, changes in labor, equipment or insurance costs, seasonal weather patterns, changes in fleet utilization, pricing pressures due to competition, efficiency of work performance, fluctuations in commodity prices of materials, delays in the timing of projects and other factors.

Overview-Economic, Industry and Market Factors

We operate in competitive markets, which can result in pricing pressures for the services we provide. Work is often awarded through a bidding and selection process, where price is always a principal factor. We generally focus on managing our profitability by: selecting projects that we believe will provide attractive margins; actively monitoring the costs of completing our projects; holding customers accountable for costs related to changes to contract specifications; and rewarding our employees for controlling costs.

The demand for construction and maintenance services from our customers has been, and will likely continue to be, cyclical in nature and vulnerable to downturns in the markets we serve as well as the economy in general. The financial condition of our customers and their access to capital, variations in the margins of projects performed during any particular period, and regional and national economic conditions in the

United States and Canada may materially affect results. Project schedules, particularly in connection with larger, multi-year projects, can also create fluctuations in our revenues. Other market and industry factors, such as changes to our customers' capital spending plans or delays in regulatory approvals can affect project schedules. Changes in technology, tax and other incentives and new or changing regulatory requirements affecting the industries we serve can impact demand for our services. While we actively monitor economic, industry and market factors affecting our business, we cannot predict the impact such factors may have on our future results of operations, liquidity and cash flows. As a result of economic, industry and market factors, our operating results in any particular period or year may not be indicative of the results that can be expected for any other period or for any other year.

Overview-Seasonality

Although our revenues are primarily driven by spending patterns in our customers' industries, our revenues, particularly those derived from our T&D segment, and results of operations can be subject to seasonal variations. These variations are influenced by weather, daylight hours, availability of system outages from utilities, and holidays. During the winter months, demand for our T&D work may be high, but our work can be delayed due to inclement weather. During the summer months, the demand for our T&D work may be affected by fewer available system outages during which we can perform electrical line service work due to peak electrical demands caused by warmer weather conditions. During the spring and fall months, the demand for our T&D work may increase due to improved weather conditions and system availability; however, extended periods of rain and other severe weather can affect the deployment of our crews and efficiency of operations.

We also provide storm restoration services to our T&D customers. These services tend to have a higher profit margin. However, storm restoration service work that is performed under an MSA typically has similar rates to other work under the agreement. In addition, deploying employees on storm restoration work may, at times, delay work on other transmission and distribution work. Storm restoration service work is unpredictable and can affect results of operations.

Outlook

We continue to expect long-term growth in the transmission market, although the timing of large bids and subsequent construction is likely to be highly variable from year to year. We believe several multi-year transmission projects will be available for bid in the 2017 to 2018 timeframe. We also expect bidding activity in small and medium-sized transmission and distribution projects to continue in 2017. While it is unclear what impact the new administration may have on our business, we are optimistic about overall economic growth and infrastructure spending and believe that improving industry activity will continue in both of our market segments and the drivers for utility investment will remain intact. We believe that regulatory reform, state renewable portfolio standards, the aging of the electric grid, and the general improvement of the economy will positively impact the level of spending by our customers. Although competition remains strong, we see these trends as positive factors for us in the future.

Our business is directly impacted by the level of spending on T&D infrastructure and the level of C&I electrical construction activity across the United States and Canada. The electric grid is aging and requires significant upgrades and maintenance to meet current and future demands for electricity. In addition, regulatory pressures and low energy prices may accelerate the shut-down of coal-fired generating plants, which could result in the need for line upgrades and new substations. Over the past several years, many utilities have begun to implement plans to improve their transmission systems, improve reliability and reduce congestion. These utilities have started or planned new construction, line upgrades and maintenance projects on many transmission systems. We believe that our customers remain committed to the expansion and strengthening of their transmission infrastructure, with planning, engineering and funding for many of their projects already in place. We continue to see opportunities in the Canadian transmission market which we expect will extend over the next several years driven by load center delivery requirements, aging infrastructure, additional hydropower generation development and hydropower interconnection projects to serve Canadian load and the import of hydro power to the United States.

We believe that renewable resources in the United States will still be a driver for large transmission project activity under the new administration. State renewable portfolio standards, which set required or voluntary standards for how much electricity is to be generated from renewable energy sources, as well as general environmental concerns, are driving the development of renewable energy projects. The economic feasibility of renewable energy projects, and therefore the attractiveness of investment in the projects, may depend on the availability of tax incentive programs or the ability of the projects to take advantage of such incentives. The late-2015 congressional approval of a five-year extension to the Production Tax Credit and Investment Tax Credit should continue to spur additional wind and solar development, and we believe we will benefit from an increase in these projects.

As a result of reduced spending by United States utilities on their distribution systems for several years, we believe there is a continued need for sustained investment by utilities on their distribution systems to properly maintain or meet reliability requirements. In 2016, we saw increased bidding activity in some of our electric distribution markets, as economic conditions improved in those areas. We believe that continued recovery in the United States economy, and in the housing market in particular, over the next few years could provide additional stimulus for spending by our customers on their distribution systems. In addition, we believe there will be a push to strengthen utility distribution systems against major storm-related damage. Several industry and market trends are also prompting customers in the electric utility industry to seek outsourcing partners rather than performing projects internally. These trends include an aging electric utility workforce, increasing costs and staffing constraints. We believe electric utility employee retirements could increase with further economic recovery, which may result in an increase in outsourcing opportunities. We expect to see an incremental increase in distribution opportunities in the United States in 2017 and we believe these opportunities will continue to be bid in a competitive market.

We believe we will continue to see significant bidding activity on large transmission projects in 2017 and 2018. The timing of multi-year transmission project awards and substantial construction activity is difficult to predict due to regulatory requirements and right-of-way permits needed to commence construction. Significant construction on any large, multi-year projects awarded in 2017 will not likely occur until 2018. Bidding and construction activity for small to medium-size transmission projects and upgrades remains strong, and we expect this trend to continue in 2017, primarily due to reliability and economic drivers. Competition and the unpredictability of awards in the transmission market may impact our ability to maintain high utilization of equipment and manpower resources which is essential to maintaining contract margins.

We saw increased activity in many of our C&I markets in 2016. Results in our C&I segment improved over the prior year due to our strategic acquisitions, organic expansion into new markets and improved economic conditions. We expect to see continued improvement in bidding opportunities in our C&I segment in 2017. We expect the long-term growth in our C&I segment to generally track the economic growth of the regions we serve and benefit to the extent economic conditions continue to improve in the markets we serve.

Through 2016, we continued to implement a three-pronged strategy of organic growth, strategic acquisitions and prudent capital returns, which is further detailed below. Additionally, in June 2016, we entered into an amended and restated, five-year credit agreement, which expanded our borrowing capacity to $250 million. This new credit agreement provided added resources and flexibility to execute each of our three-pronged strategy initiatives.

Organic Growth In 2016, we expanded our operations at our California office to include C&I services. In 2015, we opened five new offices located in the states of California, Kansas, Nevada, Texas and Washington and began work on our first major project award in Canada. We continue to look for opportunities to expand our operations into new markets in the United States and Canada. A few of our new organic growth initiatives are progressing slower than expected due to the timing of contract awards and penetration of new market, which resulted in uncovered fixed costs for the year ended December 31, 2016. Despite slower starts in these markets, we continued to see improvements in most of our organic growth initiatives throughout 2016, and we believe that our strategy to grow the business will result in positive growth and enhance shareholder value going forward.

Strategic Acquisitions On October 28, 2016, we acquired substantially all of the assets of Western Pacific Enterprises GP and certain assets of Western Pacific Enterprises Ltd., with the company continuing operations as Western Pacific Enterprises Ltd. ("WPE") and in 2015, we acquired substantially all of the assets of E.S. Boulos Company ("ESB") and all of the outstanding common stock of High Country Line Construction, Inc. ("HCL"). The acquisition of ESB and HCL has enhanced our T&D presence in the northeast and western United States and further expanded our C&I presence into the northeast United States. WPE expanded our C&I and enhanced our T&D presence in western Canada. We continue to look for acquisition opportunities that are compatible with our culture while enhancing shareholder value.

Prudent Capital Returns In February 2016, we increased our share repurchase program by $75.0 million to $142.5 million and revised its provisions to enable us to accelerate the pace of share repurchases. On July 12, 2016, we exhausted the availability under this share repurchase authorization under which we repurchased a total of 6,024,978 shares of our common stock for an average share price of $23.64 per share. In July 2016, we increased the authorization to repurchase our stock by $20.0 million to $162.5 million and extended the terms of the program to August 15, 2017. Additionally, we continue to evaluate our capital allocation strategy of reducing future capital spending while expanding our fleet through alternative financing approaches, such as leasing. In March 2016, we entered into master lease arrangements and began to lease vehicles and equipment under these arrangements. We continue to look for opportunities to improve our resource allocation to enhance shareholder value.

We continue to invest in developing key management and craft personnel in both our T&D and C&I markets and in procuring the specialty equipment and tooling needed to win and execute projects of all sizes and complexity. In 2016 and 2015, we invested in capital expenditures of approximately $25.4 million and $46.6 million, respectively. Most of our capital expenditures supported opportunities in our T&D business. We plan to continue to evaluate our needs of additional equipment and tooling, with investments being funded substantially through cash flows from operations, cash on hand and draws on our line of credit. Our investment strategy is based on our belief that spending in transmission and distribution projects will continue to remain strong over the next several years as electric utilities, cooperatives and municipalities make up for the lack of infrastructure spending in the past, combined with the overall need to integrate new generation into the electric power grid, and our belief that distribution demand will increase over the next several years.

We ended 2016 with $167.2 million available under our line of credit. We believe that our financial position and operational strengths will enable us to manage the current challenges and uncertainties in the markets we serve and give us the flexibility to successfully execute our three-pronged strategy.

Understanding Backlog

We define backlog as our estimated revenue on uncompleted contracts, including the amount of revenue on contracts for which work has not begun, less the revenue we have recognized under such contracts. Backlog may not accurately represent the revenues that we expect to realize during any particular period. Several factors, such as the timing of contract awards, the type and duration of contracts, and the mix of subcontractor and material costs in our projects, can impact our backlog at any point in time. Some of our revenue does not appear in our periodic backlog reporting because the award of the project, as well as the execution of the work, can all take place within the period. For many of our unit-price, time-and-equipment, time-and-materials and cost-plus contracts, we only include projected revenue for a three-month period in the calculation of backlog, although these types of contracts are generally awarded as part of MSAs that typically have a one-year to three-year duration from execution. Our backlog only includes projects that have a signed contract or an agreed upon work order to perform work on mutually accepted terms and conditions.

Changes in backlog from period to period are primarily the result of fluctuations in the timing of awards and revenue recognition of contracts.

Understanding Gross Margins

Our gross margin is gross profit expressed as a percentage of revenues. Gross profit is calculated by subtracting contract costs from revenue. Contract costs consist primarily of salaries, wages and benefits to employees, depreciation, fuel and other equipment expenses, equipment rentals, subcontracted services, insurance, facilities expenses, materials and parts and supplies. Various factors affect our gross margins on a quarterly or annual basis, including those listed below.

Performance Risk. Margins may fluctuate because of the volume of work and the impacts of pricing and job productivity, which can be impacted both favorably and negatively by customer decisions and crew productivity, as well as other factors. When comparing a service contract between periods, factors affecting the gross margins associated with the revenues generated by the contract may include pricing under the contract, the volume of work performed under the contract, the mix of the type of work specifically being performed, the availability of labor resources at expected labor rates and the productivity of the crews performing the work. Productivity can be influenced by many factors including the experience level of the crew, whether the work is on an open or encumbered right of way, weather conditions, geographical conditions, trade stacking, performance of other sub-trades, schedule changes and effects of environmental restrictions or regulatory delays.

Revenue Mix and Contract Terms. The mix of revenue derived from the industries we serve will impact gross margins. Changes in our customers' spending patterns in each of the industries we serve can cause an imbalance in supply and demand and, therefore, affect margins and mix of revenue by industry served. Storm restoration services typically command higher profit margins than other maintenance services. Seasonal and weather factors, as noted below, can impact the timing at which customers perform maintenance and repairs, which can cause a shift in the revenue mix. Some of our contracts include shared savings clauses, in which we agree to share savings with our customer, and the timing of such savings can impact our margins. In addition, change orders and claims can impact our margins. Costs related to change orders are recognized in contract costs when incurred but revenue related to change orders is only recognized when it is probable that the change order will result in an addition to contract value and can be reliably estimated. Costs related to claims are recognized in contract costs when incurred, but revenue related to claims is recognized only to the extent that contract costs related to the claim have been incurred and when it is probable that the claim will result in an addition to contract value which can be reliably estimated. No profit is recognized on a claim until final settlement occurs.

Seasonal, Weather and Geographical. Seasonal patterns, primarily related to weather conditions and the availability of system outages, can have a significant impact on gross margins in a given period. It is typical during the winter months that parts of the country may experience snow or rainfall, which can affect our crews' ability to work efficiently. Additionally, our T&D customers often cannot remove their T&D lines from service during the summer months, when consumer demand for electricity is at its peak, delaying the demand for our maintenance and repair services. In both cases, projects may be delayed or temporarily placed on hold. Conversely, in periods when weather remains dry and temperatures are moderate, more work can be done, sometimes with less cost, which would have a favorable impact on gross margins. The mix of business conducted in different parts of the country will also affect margins, as some parts of the country offer the opportunity for higher margins than others due to the geographic characteristics associated with the physical location where the work is being performed. Such characteristics include whether the project is performed in an urban versus a rural setting; in a mountainous area or in open terrain; or in normal soil conditions or rocky terrain. Site conditions, including unforeseen underground conditions, can also impact margins.

Depreciation and Amortization. We include depreciation on equipment and capital lease amortization in contract costs. This is common practice in our industry, but can make comparability to other companies difficult. Over the last few years, we have spent a significant amount of capital on property, facilities and equipment, with the majority of such expenditures being used to purchase additional specialized equipment to enhance our fleet and to reduce our reliance on lease arrangements and short term equipment rentals. We believe the investment in specialized equipment helps to reduce our costs, improve our margins and provide us with valuable flexibility to take on additional and complex projects. In 2016, we increased our use of alternative financing approaches, through capital leasing arrangements for shorter-lived equipment.

Service and Maintenance Compared to New Construction. In general, new construction work has a higher gross margin than maintenance and repair work. New construction work is often obtained on a fixed-price basis, which carries a higher risk than other types of pricing arrangements because a contractor can bear the risk of increased expenses. As such, we generally bid fixed-price contracts with higher profit margins. We typically derive approximately 10% to 35% of our revenue from maintenance and repair work that is performed under pre-established or negotiated prices or cost-plus pricing arrangements which generally allow us a set margin above our costs. Thus, the mix between new construction work, at fixed-price, and maintenance and repair work, at cost-plus, in a given period will impact gross margin in that period.

Material and Subcontract Costs. Projects that include a greater amount of material or subcontractor costs can experience lower overall project gross margins as we typically add less mark up to material and subcontractor costs in our bids than what we would to our labor and equipment cost. In addition, successful completion of our contracts may depend on whether our subcontractors successfully fulfill their contractual obligations. If our subcontractors fail to satisfactorily perform their contractual obligations as a result of financial or other difficulties, we may be required to incur additional costs and provide additional services in order to make up such shortfalls.

Cost of Material. On fixed-price contracts where we are required to provide materials, our overall gross margin may be affected if we experience increases in material quantity or higher commodity costs.

Materials versus Labor. Projects that include a greater amount of material cost can experience lower overall project gross margins as we typically add less mark up to material cost in our bids than what we would to our labor and equipment cost.

Insurance. Gross margins could be impacted by fluctuations in insurance accruals related to our deductibles and loss history in the period in which such adjustments are made. We carry insurance policies, which were subject to certain deductibles, for workers' compensation, general liability, automobile liability and other coverages. Losses up to the deductible amounts are accrued based upon estimates of the ultimate liability for claims reported and an estimate of claims incurred but not yet reported.

Fleet Utilization, Estimation, and Bidding. We operate a centrally-managed fleet in an effort to achieve the highest equipment utilization. We also develop internal equipment rates which provide our business units with appropriate cost information to estimate bids for new projects. Availability of equipment for a particular contract is determined by our internal fleet ordering process which is designed to optimize the use of internal fleet assets and allocate equipment costs to individual contracts. We believe these processes allow us to utilize our equipment efficiently, which leads to improved gross margins. Transmission and distribution projects can require different types of equipment. A significant shift in project mix can cause a shift in overall utilization, causing gross margins to vary.

Our team of trained estimators helps us to determine potential costs and revenues and make informed decisions on whether to bid for a project and, if bid, the rates to use in estimating the costs for that bid. The ability to accurately estimate labor, equipment, subcontracting and material costs in connection with a new project may affect the gross margins achieved for the project.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of compensation, related benefits and employee costs for management and administrative personnel, office rent and utilities, stock compensation, communications, professional fees, depreciation, marketing costs and bad debt expense.

Consolidated Results of Operations

The following table sets forth selected statements of operations data and such data as a percentage of revenues for the years indicated:

(dollars in thousands)	For the year ended December 31, 2016		2015		2014	
Contract revenues	$ 1,142,487	100.0%	$ 1,061,681	100.0%	$ 943,967	100.0%
Contract costs	1,007,764	88.2	939,340	88.5	811,553	86.0
Gross profit	134,723	11.8	122,341	11.5	132,414	14.0
Selling, general and administrative expenses	96,424	8.4	79,186	7.5	73,818	7.8
Amortization of intangible assets	886	0.1	571	—	334	—
Gain on sale of property and equipment	(1,341)	(0.1)	(2,257)	(0.2)	(142)	—
Income from operations	38,754	3.4	44,841	4.2	58,404	6.2
Other income (expense)						
Interest income	5	—	25	—	106	—
Interest expense	(1,299)	(0.1)	(741)	—	(722)	(0.1)
Other income, net	885	0.1	174	—	162	—
Income before provision for income taxes	38,345	3.4	44,299	4.2	57,950	6.1
Income tax expense	16,914	1.5	16,997	1.6	21,406	2.2
Net income	$ 21,431	1.9%	$ 27,302	2.6%	$ 36,544	3.9%

Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015

Revenues. Revenues increased $80.8 million, or 7.6%, to $1.142 billion for the year ended December 31, 2016 from $1.062 billion for the year ended December 31, 2015. The increase in revenue was primarily due to organic and acquisitive growth, partially offset by a decline in revenue in some geographic areas.

Gross margin. Gross margin increased to 11.8% for the year ended December 31, 2016 from 11.5% for the year ended December 31, 2015. The increase in gross margin was largely due to improved performance on certain jobs as well as favorable close-outs on several projects, partially offset by costs associated with unrecognized revenue related to pending project claims and change orders. We also experienced inclement weather in some of our markets and lower productivity on other jobs. Changes in estimates of gross profit on certain projects resulted in gross margin decreases of 0.2% for the year ended December 31, 2016. Changes in estimates of gross profit on certain projects, including large claims or change orders, resulted in gross margin increases of 0.5% for the year ended December 31, 2015.

Gross profit. Gross profit increased $12.4 million, or 10.1%, to $134.7 million for year ended December 31, 2016 from $122.3 million for the year ended December 31, 2015, primarily due to higher revenue and improved gross margin.

Selling, general and administrative expenses. Selling, general and administrative expenses ("SG&A"), which were $96.4 million for the year ended December 31, 2016, increased $17.2 million from $79.2 million for the year ended December 31, 2015. The increase in SG&A was primarily due to $9.4 million of costs associated with our organic and acquisitive growth strategies. Bonus and profit sharing costs as well as personnel costs to support our overall growth increased in 2016. We also incurred $1.0 million of costs associated with responding to activist investors. The impact of these increases was partially offset by a $1.4 million cost related to an executive officer transition in the fourth quarter of 2015. As a percentage of revenues, SG&A increased to 8.4% for the year ended December 31, 2016 from 7.5% for the year ended December 31, 2015.

Gain on sale of property and equipment. Gains from the sale of property and equipment in the year ended December 31, 2016 were $1.3 million compared to $2.3 million in the year ended December 31, 2015. Gains from the sale of property and equipment are attributable to routine sales of property and equipment no longer useful or valuable to our ongoing operations.

Interest expense. Interest expense was $1.3 million for the year ended December 31, 2016 compared to $0.7 million in the year ended December 31, 2015. This increase is primarily attributable to the borrowings on our line of credit during the year ended December 31, 2016.

Other Income. Other income was $0.9 million for the year ended December 31, 2016 compared to $0.2 million in the year ended December 31, 2015. This increase is primarily attributable to contingent consideration related to margin guarantees of $1.4 million recognized on certain contracts associated with the acquisition of WPE.

Income tax expense. The provision for income taxes was $16.9 million for the year ended December 31, 2016, with an effective tax rate of 44.1%, compared to a provision of $17.0 million for the year ended December 31, 2015, with an effective tax rate of 38.4%. The increase in the effective tax rate was primarily caused by the year-to-date impact of lower domestic activities deductions and changes in the mix of business between states. In addition, our effective tax rate increased due to the deferred tax balance true-up for changes in the blended state rate, as well as the valuation allowance for the deferred tax assets on certain Canadian subsidiaries.

Net income. Net income decreased to $21.4 million for the year ended December 31, 2016 from $27.3 million for the year ended December 31, 2015. The decrease was primarily for the reasons stated above.

Segment Results

The following table sets forth, for the periods indicated, statements of operations data by segment, segment net sales as a percentage of total net sales and segment operating income as a percentage of segment net sales:

	For the Year Ended December 31,			
	2016		2015	
(dollars in thousands)	Amount	Percent	Amount	Percent
Contract revenues:				
Transmission & Distribution	$ 818,972	71.7%	$ 794,898	74.9%
Commercial & Industrial	323,515	28.3	266,783	25.1
Total	$ 1,142,487	100.0	$ 1,061,681	100.0
Operating income (loss):				
Transmission & Distribution	$ 63,459	7.7	$ 63,155	7.9
Commercial & Industrial	13,920	4.3	13,592	5.1
Total	77,379	6.8	76,747	7.2
Corporate	(38,625)	(3.4)	(31,906)	(3.0)
Consolidated	$ 38,754	3.4%	$ 44,841	4.2%

Transmission & Distribution

Revenues for our T&D segment for the year ended December 31, 2016 were $819.0 million compared to $794.9 million for the year ended December 31, 2015, an increase of $24.1 million, or 3.0%. The increase in revenue was primarily due to organic and acquisitive growth, partially offset by a decline in revenue in some geographic areas.

Revenues from transmission projects represented 75.8% and 73.9% of T&D segment revenue for the years ended December 31, 2016 and 2015, respectively. Additionally, for the year ended December 31, 2016, measured by revenue in our T&D segment, we provided 56.9% of our T&D services under fixed-price contracts, as compared to 48.4% for the year ended December 31, 2015.

Operating income for our T&D segment for the year ended December 31, 2016 was $63.4 million compared to $63.1 million for the year ended December 31, 2015, an increase of $0.3 million, or 0.5%. The slight increase in operating income was primarily due to operating income associated with our expansion in new geographic markets and favorable project close-outs, offset by lower margins due to unrecognized revenue on a pending project claim and change orders, inclement weather in some of our markets and lower productivity on other jobs. Operating income, as a percentage of revenues, for our T&D segment decreased to 7.7% for the year ended December 31, 2016 from 7.9% for the year ended December 31, 2015.

Commercial & Industrial

Revenues for our C&I segment for the year ended December 31, 2016 were $323.5 million compared to $266.8 million for the year ended December 31, 2015, an increase of $56.7 million, or 21.3%, primarily due to organic and acquisitive expansion in new markets. For the year ended December 31, 2016, measured by revenue in our C&I segment, we provided 73.4% of our services under fixed-price contracts, as compared to 71.6% for the year ended December 31, 2015.

Operating income for our C&I segment for the year ended December 31, 2016 was $13.9 million compared to $13.6 million for the year ended December 31, 2015, an increase of $0.3 million, or 2.4%. The year-over-year increase in operating income compared to the year ended December 31, 2015 was primarily attributable to higher revenues and margins experienced on certain projects, partially offset by productivity below our previous estimates and unrecognized revenue related to a pending project claim. Our expansion in new geographic markets provided positive operating income, albeit at a lower operating percentage of revenue, due to slower market penetration experienced in certain geographic areas and contingent consideration related to margin guarantees of $1.4 million classified as other income. As a percentage of revenues, operating income for our C&I segment decreased to 4.3% for the year ended December 31, 2016 from 5.1% for the year ended December 31, 2015.

Corporate

The increase in corporate expenses in 2016 was primarily attributable to higher bonus and profit sharing costs as well as additional support costs. Additionally we incurred $1.0 million of costs associated with activist investor activities. The impact of these increases was partially offset by a $1.4 million cost related to an executive officer transition in the fourth quarter of 2015.

Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014

Revenues. Revenues increased $117.7 million, or 12.5%, to $1.062 billion for the year ended December 31, 2015 from $944.0 million for the year ended December 31, 2014. The increase was primarily due to higher T&D revenues and the acquisition of ESB. We benefited from increased spending by our customers and organic growth from new geographic markets, however, our project mix of shorter-duration projects increased while the number of large, multi-year transmission projects declined.

Gross margin. Gross margin decreased to 11.5% for the year ended December 31, 2015 from 14.0% for the year ended December 31, 2014. Gross margin in 2014 benefited from favorable closeouts on several large, multi-year transmission projects. The remaining year-over-year decline in gross margin was primarily due to lower bid margins caused by increased competition in many of our markets and an increase in the number of shorter duration projects (which affects fleet utilization, labor productivity and mobilization and demobilization costs). Additionally, some of our jobs underperformed in 2015 due to labor productivity below previous estimates as a result of excessive labor turnover, rework on certain jobs and severe weather conditions in some of our markets. Changes in estimates of gross profit on certain projects resulted in gross margin increases of 0.5% for the year ended December 31, 2015. Changes in estimates of gross profit on certain projects, including several large claims or change orders, resulted in gross margin increases of 1.9% for the year ended December 31, 2014.

Gross profit. Gross profit decreased $10.1 million, or 7.6%, to $122.3 million for year ended December 31, 2015 from $132.4 million for the year ended December 31, 2014, primarily due to lower gross margin partially offset by higher revenues.

Selling, general and administrative expenses. Selling, general and administrative expenses, which were $79.2 million for the year ended December 31, 2015, increased $5.4 million from $73.8 million for the year ended December 31, 2014. The increase in selling, general and administrative expenses for the year ended December 31, 2015 as compared to the year ended December 31, 2014 was primarily due to higher personnel and overhead costs to support our organic and acquisitive geographic market expansion, the impact of reversing a $2.3 million legal reserve in the fourth quarter in 2014, $1.4 million related to an executive officer transition and costs associated with the ESB and HCL acquisitions, partially offset by lower bonus and profit sharing costs. As a percentage of revenues, selling, general and administrative expenses decreased to 7.5% for the year ended December 31, 2015 from 7.8% for the year ended December 31, 2014.

Gain on sale of property and equipment. Gains from the sale of property and equipment in the year ended December 31, 2015 were $2.3 million compared to $0.1 million in the year ended December 31, 2014. Gains from the sale of property and equipment are attributable to routine sales of property and equipment no longer useful or valuable to our ongoing operations.

Interest expense. Interest expense was $0.7 million for both of the years ended December 31, 2015 and 2014.

Income tax expense. The provision for income taxes was $17.0 million for the year ended December 31, 2015, with an effective tax rate of 38.4%, compared to a provision of $21.4 million for the year ended December 31, 2014, with an effective tax rate of 36.9%. The increase in the effective rate was primarily caused by changes in the mix of business between states and the impact of the foreign tax differential.

Net income. Net income decreased to $27.3 million for the year ended December 31, 2015 from $36.5 million for the year ended December 31, 2014. The decrease was primarily for the reasons stated above.

Segment Results

The following table sets forth, for the periods indicated, statements of operations data by segment, segment net sales as a percentage of total net sales and segment operating income as a percentage of segment net sales:

	For the Year Ended December 31,			
	2015		2014	
(dollars in thousands)	Amount	Percent	Amount	Percent
Contract revenues:				
Transmission & Distribution	$ 794,898	74.9%	$ 699,595	74.1%
Commercial & Industrial	266,783	25.1	244,372	25.9
Total	$ 1,061,681	100.0	$ 943,967	100.0
Operating income (loss):				
Transmission & Distribution	$ 63,155	7.9	$ 75,439	10.8
Commercial & Industrial	13,592	5.1	16,542	6.8
Total	76,747	7.2	91,981	9.7
Corporate	(31,906)	(3.0)	(33,577)	(3.5)
Consolidated	$ 44,841	4.2%	$ 58,404	6.2%

Transmission & Distribution

Revenues for our T&D segment for the year ended December 31, 2015 were $794.9 million compared to $699.6 million for the year ended December 31, 2014, an increase of $95.3 million or 13.6%. While we benefited from increased spending by our customers, our project mix shifted away from large, multi-year transmission projects and included more shorter-duration projects.

Revenues from transmission projects represented 73.9% and 77.8% of T&D segment revenue for the years ended December 31, 2015 and 2014, respectively. Additionally, for the year ended December 31, 2015, measured by revenue in our T&D segment, we provided 48.4% of our T&D services under fixed-price contracts, as compared to 53.1% for the year ended December 31, 2014.

Operating income for our T&D segment for the year ended December 31, 2015 was $63.1 million compared to $75.4 million for the year ended December 31, 2014. Operating income in 2014 benefited from favorable closeouts on several large, multi-year transmission projects. The remaining year-over-year decline in operating income was primarily due to lower bid margins caused by increased competition in many of our markets and an increase in the number of shorter duration projects (which affects fleet utilization, labor productivity and mobilization and demobilization costs). Additionally, some of our jobs underperformed in 2015 due to labor productivity below previous estimates, incremental costs associated with expansion into new geographic markets and severe weather conditions in some of our markets, partially offset by higher revenues. Operating income, as a percentage of revenues, for our T&D segment decreased to 7.9% for the year ended December 31, 2015 from 10.8% for the year ended December 31, 2014.

Commercial & Industrial

Revenues for our C&I segment for the year ended December 31, 2015 were $266.8 million compared to $244.4 million for the year ended December 31, 2014, an increase of $22.4 million or 9.2%, due primarily to the acquisition of ESB. For the year ended December 31, 2015, measured by revenue in our C&I segment, we provided 71.6% of our services under fixed-price contracts, as compared to 41.7% for the year ended December 31, 2014.

Operating income for our C&I segment for the year ended December 31, 2015 was $13.6 million compared to $16.5 million for the year ended December 31, 2014, a decrease of $2.9 million, or 17.6%. The year-over-year decline in operating income compared to the year ended December 31, 2014 was primarily due to lower bid margins caused by increased competition in many of our markets and certain underperforming jobs due to labor productivity below previous estimates as a result of excessive labor turnover and rework and incremental costs associated with expansion into new geographic markets, partially offset by higher revenues. As a percentage of revenues, operating income for our C&I segment decreased to 5.1% for the year ended December 31, 2015 from 6.8% for the year ended December 31, 2014.

Corporate

The decrease in corporate expenses in 2015 was primarily attributable to lower bonus and profit sharing costs.

Liquidity and Capital Resources

As of December 31, 2016 and 2015, we had working capital of $129.3 million and $123.6 million, respectively. We define working capital as current assets less current liabilities. During the year ended December 31, 2016, operating activities of our business provided net cash of $54.5 million, compared to $43.0 million of cash provided for the year ended December 31, 2015. Cash flow from operations is primarily influenced by demand for our services, operating margins, timing of contract performance and the type of services we provide to our customers. Net cash provided by operating activities is driven by our net income adjusted for changes in operating assets and liabilities and non-cash items including, but not limited to, depreciation and amortization, stock-based compensation, deferred income taxes, and the gain on sale of property and equipment. The change in net cash provided by operating activities was primarily due to a $12.9 million favorable change in operating assets and liabilities and a $4.5 million increase in non-cash items which were partially offset by a decrease of $5.9 million in net income. The change in operating assets and liabilities relates to an increased use of funds of $13.3 million from our key operating assets and liabilities (“accounts receivable, net”, including retention; costs and estimated earnings in excess of billings on uncompleted contracts; accounts payable; and billings in excess of costs and estimated earnings on uncompleted contracts) primarily related to increased volume and timing of work along with timing of contractual billing terms on certain projects. This was more than offset by year-over-year changes in the timing and amount of accrued payroll costs and a decrease in refundable taxes.

During the years ended December 31, 2016 and 2015, we used net cash of $34.1 million and $56.9 million, respectively, in investing activities. The $34.1 million of cash used in investing activities in the year ended December 31, 2016 consisted of $25.3 million for capital expenditures and $12.1 million to acquire WPE, partially offset by $3.3 million of proceeds from the sale of equipment. The $56.9 million of cash used in investing activities in the year ended December 31, 2015 consisted of $46.6 million for capital expenditures and $13.1 million to acquire ESB and HCL, partially offset by $2.8 million of proceeds from the sale of equipment.

During the years ended December 31, 2016 and 2015, we used net cash of $35.5 million and $23.9 million, respectively, in financing activities. The $35.5 million of cash used in financing activities in the year ended December 31, 2016, consisted primarily of $101.5 million of cash used to purchase shares of our common stock, as well as $1.0 million of cash used to pay debt issuance costs related to our new line of credit. These uses of cash were partially offset by borrowings of $59.1 million, $6.2 million of proceeds from stock options and $2.3 million of tax benefits related to our stock compensation programs. The $23.9 million of cash used in financing activities in the year ended December 31, 2015 consisted of $27.6 million of cash used to purchase shares of our common stock, which was partially offset by proceeds from stock options and tax benefits related to our stock compensation programs.

During 2016, our Board of Directors approved two amendments to our share repurchase program, which increased the program from $67.5 million to $162.5 million and extended the term of the program through August 15, 2017. As of December 31, 2016, we had $20.0 million of remaining availability to purchase shares under the Repurchase Program.

We anticipate that our $167.2 million borrowing availability under our 2016 Facility, and future cash flow from operations will provide sufficient cash to enable us to meet our future operating needs, debt service requirements, capital expenditures, and acquisition and joint venture opportunities. We expect that our repurchases of common stock will be at lower levels than experienced in 2015 and 2016. Although we believe that we have adequate cash and availability under our Credit Agreement to meet our liquidity needs, any large projects or acquisitions may require additional capital.

We have not historically paid dividends and currently do not expect to pay dividends.

Debt Instruments

On June 30, 2016, we entered into a five-year amended and restated credit agreement (the “Credit Agreement”) with a syndicate of banks led by JPMorgan Chase Bank, N.A. and Bank of America, N.A. The Credit Agreement provides for a facility of $250 million (the “2016 Facility”) that may be used for revolving loans and letters of credit. The 2016 Facility also allows for revolving loans and letters of credit in Canadian dollars and other currencies, up to the U.S. dollar equivalent of $50 million. We have an expansion option to increase the commitments under the 2016 Facility or enter into incremental term loans, subject to certain conditions, by up to an additional $100 million upon receipt of additional commitments from new or existing lenders. Subject to certain exceptions, the 2016 Facility is secured by substantially all of our assets and the assets of our domestic subsidiaries and by a pledge of substantially all of the capital stock of our domestic subsidiaries and 65% of the capital stock of our direct foreign subsidiaries. Additionally, subject to certain exceptions, our domestic subsidiaries also guarantee the repayment of all amounts due under the Credit Agreement. If an event of default occurs and is continuing, on the terms and subject to the conditions set forth in the Credit Agreement, amounts outstanding under the 2016 Facility may be accelerated and may become or be declared immediately due and payable. Borrowings under the Credit Agreement were used to refinance existing debt and are expected to be used for working capital, capital expenditures, stock repurchases, acquisitions and other general corporate purposes.

Amounts borrowed under the Credit Agreement in U.S. dollars bear interest, at our option, at a rate equal to either (1) the Alternate Base Rate (as defined in the Credit Agreement), plus an applicable margin ranging from 0.00% to 1.00%; or (2) Adjusted LIBO Rate (as defined in the Credit Agreement) plus an applicable margin ranging from 1.00% to 2.00%. Amounts borrowed under the Credit Agreement in any currency other than U.S. dollars bear interest at a rate equal to the Adjusted LIBO Rate plus an applicable margin ranging from 1.00% to 2.00%. The applicable margin is determined based on our consolidated Leverage Ratio (as defined in the Credit Agreement). Letters of credit issued under the 2016 Facility are subject to a letter of credit fee of 1.125% to 2.125% for standby or commercial letters of credit or 0.625% to 1.125% for performance letters of credit, based on the our consolidated Leverage Ratio. We are subject to a commitment fee of 0.20% to 0.375% based on our consolidated Leverage Ratio on any unused portion of the 2016 Facility. The Credit Agreement restricts certain types of payments when our consolidated Leverage Ratio exceeds 2.25.

Under the Credit Agreement, we are subject to certain financial covenants and must maintain a maximum consolidated Leverage Ratio of 3.0 and a minimum interest coverage ratio of 3.0, which is defined in the Credit Agreement as Consolidated EBITDA (as defined in the Credit Agreement) divided by interest expense. The Credit Agreement also contains a number of covenants, including limitations on asset sales, investments, indebtedness and liens. In connection with any permitted acquisition where the total consideration exceeds $50 million, we may request that the maximum permitted consolidated Leverage Ratio increase from 3.0 to 3.5. Any such increase, if given effect, shall begin in the quarter in which such permitted acquisition is consummated and shall continue in effect for four consecutive fiscal quarters.

Prior to the amendment and restatement of the Credit Agreement, we had a five-year syndicated credit agreement with a facility of $175.0 million (the "2011 Facility"). The 2011 Facility provided funds for revolving loans and the issuance of letters of credit and up to $25.0 million for swingline loans.

As of December 31, 2016, we had $59.1 million of debt outstanding under the 2016 Facility and irrevocable standby letters of credit outstanding of approximately $23.7 million. As of December 31, 2015, we had no debt outstanding and irrevocable standby letters of credit outstanding of approximately $19.3 million.

Off-Balance Sheet Arrangements

As is common in our industry, we enter into certain off-balance sheet arrangements in the ordinary course of business that result in risks not directly reflected in our balance sheets. Our significant off-balance sheet transactions include liabilities associated with non-cancelable operating leases, letter of credit obligations and bond guarantees entered into in the normal course of business. We have not engaged in any off-balance sheet financing arrangements through special purpose entities.

Leases

We enter into non-cancelable leases for some of our facility, vehicle and equipment needs. These leases allow us to conserve cash by paying a monthly lease rental fee for the use of facilities, vehicles and equipment rather than purchasing them. Leases are accounted for as operating or capital leases, depending on the terms of the lease. We may decide to cancel or terminate a lease before the end of its term, in which case we are typically liable to the lessor for the remaining lease payments under the term of the lease. At December 31, 2016, we had no leases with residual value guarantees.

We typically have purchase options on the equipment underlying our long-term operating leases and many of our short-term rental arrangements. We exercise some of these purchase options when the need for equipment is on-going and the purchase option price is attractive.

Purchase Commitments for Construction Equipment

As of December 31, 2016, we had approximately $8.6 million in outstanding purchase obligations for certain construction equipment to be paid, with cash outlay scheduled to occur over the first four months of 2017.

Letters of Credit

Some of our vendors require letters of credit to ensure reimbursement for amounts they are disbursing on our behalf, such as to beneficiaries under our insurance programs. In addition, from time-to-time certain customers require us to post letters of credit to ensure payment to our subcontractors and vendors under those contracts and to guarantee performance under our contracts. Such letters of credit are generally issued by a bank or similar financial institution. The letter of credit commits the issuer to pay specified amounts to the holder of the letter of credit if the holder claims that we have failed to perform specified actions in accordance with the terms of the letter of credit. If this were to occur, we would be required to reimburse the issuer of the letter of credit. Depending on the circumstances of such a reimbursement, we may also have to record a charge to earnings for the reimbursement. Currently, we do not believe that it is likely that any claims will be made under any letter of credit.

At December 31, 2016, we had $23.7 million in irrevocable standby letters of credit outstanding under our Credit Agreement at an interest rate of 1.125%, including $17.6 million related to the Company's payment obligation under its insurance programs and approximately $6.1 million related to contract performance obligations. As of December 31, 2015, we had irrevocable standby letters of credit outstanding of approximately $19.3 million, including $17.5 million related to the Company's payment obligation under its insurance programs and approximately $1.8 million related to contract performance obligations.

Performance and Payment Bonds

Many customers, particularly in connection with new construction, require us to post performance and payment bonds issued by a financial institution known as a surety. These bonds provide a guarantee to the customer that we will perform under the terms of a contract and that we will pay subcontractors and vendors. If we fail to perform under a contract or to pay subcontractors and vendors, the customer may demand that the surety make payments or provide services under the bond. We must reimburse the surety for any expenses or outlays it incurs. Under our continuing indemnity and security agreements with our sureties, with the consent of our lenders under the Credit Agreement, we have granted security interests in certain of our assets to collateralize our obligations to the surety. We may be required to post letters of credit or other collateral in favor of the surety or our customers. Posting letters of credit in favor of the surety or our customers reduces the borrowing availability under the Credit Agreement. To date, we have not been required to make any reimbursements to any of our sureties for bond-related costs. We believe that it is unlikely that we will have to fund significant claims under our surety arrangements. As of December 31, 2016, an aggregate of approximately $887.7 million in original face amount of bonds issued by our sureties were outstanding. Our estimated remaining cost to complete these bonded projects was approximately $58.2 million as of December 31, 2016.

Indemnities

From time to time, pursuant to our service arrangements, we indemnify our customers for claims related to the services we provide under those service arrangements. These indemnification obligations may subject us to indemnity claims, liabilities and related litigation. We are not aware of any material unrecorded liabilities for asserted claims in connection with these indemnification obligations.

Contractual Obligations

As of December 31, 2016, our future contractual obligations are as follows:

(in thousands)	Total	Less than 1 Year	1 – 3 Years	3 – 5 Years	More than 5 Years	Other
Short and long term debt	$ 59,070	$ —	$ —	$ 59,070	$ —	$ —
Operating lease obligations	9,205	2,519	4,107	1,967	612	—
Capital lease obligations	5,260	1,220	2,440	1,600	—	—
Purchase obligations	8,558	8,558	—	—	—	—
Income tax contingencies	301	—	—	—	—	301
Total	$ 82,394	$ 12,297	$ 6,547	$ 62,637	$ 612	$ 301

Excluded from the above table are interest and fees associated with our short term and long term debt and irrevocable standby letters of credit outstanding under our 2016 Facility, because the applicable interest rates and fees are variable. We have also excluded our multi-employer pension plan contributions, which are determined annually, based on our union employee payrolls, and which cannot be determined for future periods in advance.

The amount of income tax contingencies has been presented in the "Other" column in the table above due to the fact that the period of future payment cannot be reliably estimated. For further information, refer to Note 10 to the Financial Statements.

Concentration of Credit Risk

We grant trade credit under contractual payment terms, generally without collateral, to our customers, which include high credit quality electric utilities, governmental entities, general contractors and builders, owners and managers of commercial and industrial properties. Consequently, we are subject to potential credit risk related to changes in business and economic factors. However, we generally have certain statutory lien rights with respect to services provided. Under certain circumstances such as foreclosures or negotiated settlements, we may take title to the underlying assets in lieu of cash in settlement of receivables. As of December 31, 2016, one customer individually exceeded 10.0% of accounts receivable with approximately 11.2% of the total accounts receivable amount (excluding the impact of allowance for doubtful accounts). As of December 31, 2015, one customer individually exceeded 10.0% of accounts receivable with approximately 13.0% of the total accounts receivable amount (excluding the impact of allowance for doubtful accounts). Management believes the terms and conditions in our contracts, billing and collection policies are adequate to minimize the potential credit risk.

Inflation

Inflation did not have a significant effect on our results during the years ended December 31, 2016, 2015 or 2014.

New Accounting Pronouncements

For a discussion of recent accounting pronouncements, see Note 1 — Summary of Significant Accounting Policies in the Notes to the Financial Statements.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based on our Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of these Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities known to exist at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. We evaluate our estimates on an ongoing basis, based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. There can be no assurance that actual results will not differ from those estimates. We believe the following accounting policies affect our more significant judgments and estimates used in the preparation of our Financial Statements:

Revenue Recognition. Revenues under long-term contracts are accounted for under the percentage-of-completion method of accounting. Under the percentage-of-completion method, we estimate profit as the difference between total estimated revenue and total estimated cost of a contract and recognize that profit over the contract term based on costs incurred under the cost-to-cost method.

Revenues from our construction services are performed under fixed-price, time-and-equipment, time-and-materials, unit-price, and cost-plus fee contracts. For fixed-price and unit-price contracts, we use the ratio of cost incurred to date on the contract (excluding uninstalled direct materials) to management's estimate of the contract's total cost, to determine the percentage of completion on each contract. This method is used as management considers expended costs to be the best available measure of progression of these contracts. Contract cost includes all direct costs on contracts, including labor and material, subcontractor costs and those indirect costs related to contract performance, such as supplies, fuel, tool repairs and depreciation. We recognize revenues from construction services with fees based on time-and-materials, or cost-plus fee as the services are performed and amounts are earned. If contracts include contract incentive or bonus provisions, they are included in estimated contract revenues only when the achievement of such incentive or bonus is reasonably certain.

Contract costs incurred to date and expected total contract costs are continuously monitored during the term of the contract. Changes in job performance, job conditions and final contract settlements are factors that influence management's assessment of total contract value and the total estimated costs to complete those contracts and therefore, our profit recognition. These changes, which include contracts with estimated costs in excess of estimated revenues, are recognized in contract costs in the period in which the revisions are determined. At the point we anticipate a loss on a contract, we estimate the ultimate loss through completion and recognize that loss in the period in which the possible loss was identified.

A change order is a modification to a contract that changes the provisions of the contract, typically resulting from changes in scope, specifications, design, manner of performance, facilities, equipment, materials, sites, or period of completion of the work under the contract. A claim is an amount in excess of the agreed-upon contract price that the Company seeks to collect from its clients or others for client-caused delays, errors in specifications and designs, contract terminations, change orders that are either in dispute or are unapproved as to both scope and price, or other causes. Costs related to change orders and claims are recognized when incurred. Revenue from a change order is included in total estimated contract revenue when it is probable that the change order will result in an addition to contract value and can be reliably estimated. Revenue from a claim is included in total estimated contract revenues, only to the extent that contract costs related to the claim have been incurred, when it is probable that the claim will result in an addition to contract value which can be reliably estimated. No profit is recognized on a claim until final settlement occurs.

The accuracy of our revenue and profit recognition in a given period is dependent on the accuracy of our estimates of the cost to complete each project. Cost estimates for all of our significant projects use a detailed “bottoms up” approach and we believe our experience typically allows us to provide materially reliable estimates. There are a number of factors that can contribute to changes in estimates of contract cost and profitability. The most significant of these include, among others:

- the completeness and accuracy of the original bid;
- costs associated with scope changes, change orders or claims;
- costs of labor and/or materials;
- extended overhead due to owner, weather and other delays;
- subcontractor performance issues;
- changes in productivity expectations;
- site conditions that differ from those assumed in the original bid (to the extent contract remedies are unavailable);
- the availability and skill level of workers in the geographic location of the project; and
- a change in the availability and proximity of equipment and materials.

The foregoing factors as well as the stage of completion of contracts in process and the mix of contracts at different margins may cause fluctuations in gross profit between periods.

We provide warranties to customers on a basis customary to the industry; however, the warranty period does not typically exceed one year. Historically, warranty claims have not been material.

Total revenues do not include sales tax as we consider ourselves a pass-through conduit for collecting and remitting sales taxes. Sales tax and value added tax collected from customers is included in other current liabilities on our consolidated balance sheets.

Insurance. We carry insurance policies, which are subject to certain deductibles, for workers’ compensation, general liability, automobile liability and other coverages. Our deductible for each line of coverage is up to $1.0 million, except for certain health benefit plans, which are subject to a deductible up to $0.2 million, for qualified individuals. Losses up to the deductible amounts are accrued based upon our estimates of the ultimate liability for claims reported and an estimate of claims incurred but not yet reported.

The insurance and claims accruals are based on known facts, actuarial estimates and historical trends. While recorded accruals are based on the ultimate liability, which includes amounts in excess of the deductible, a corresponding receivable for amounts in excess of the deductible is included in current assets in the consolidated balance sheets.

Stock-Based Compensation. We determine compensation expense for stock-based awards based on the estimated fair values at the grant date and recognize the related compensation expense over the vesting period. We use the straight-line attribution method to recognize compensation expense related to stock-based awards, such as restricted stock and phantom stock, that have only service conditions. This method recognizes stock compensation expense on a straight-line basis over the requisite service period for the entire award. We recognize compensation expense related to performance awards that vest based on internal performance metrics and service conditions on a straight-line basis over the service period, but adjust inception-to-date expense based upon our determination of the potential achievement of the performance target at each reporting date. We recognize compensation expense related to performance awards with market-based performance metrics on a straight-line basis over the requisite service period. Stock-based compensation expense is adjusted for changes in estimated and actual forfeitures. We use historical data to estimate the forfeiture rate that we use; however, these estimates are subject to change and may impact the value that will ultimately be recognized as stock compensation expense. Shares issued under the Company's stock-based compensation program are taken out of authorized but unissued shares.

Goodwill and Intangibles. Goodwill and intangible assets with indefinite lives are not amortized. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives. We review goodwill and intangible assets with indefinite lives for impairment on an annual basis at the beginning of the fourth quarter, or when circumstances change, such as a significant adverse change in the business climate or the decision to sell a business, both of which would indicate that impairment may have occurred. We perform a qualitative assessment to determine whether it is necessary to perform a two-step goodwill impairment test. The qualitative assessment considers financial, industry, segment and macroeconomic factors. If the qualitative assessment indicates a potential for impairment, the two-step method is used to determine if impairment exists. The two-step method begins with a comparison of the fair value of the reporting unit with its carrying value. If the carrying amount of the reporting unit exceeds its fair value, the second step of the process involves a comparison of the implied fair value and carrying value of the goodwill of that reporting unit. The company also performs a qualitative assessment on intangible assets with indefinite lives. If the qualitative assessment indicates a potential for impairment, a quantitative impairment test would be performed to compare the fair value of the indefinite-lived intangible asset with its carrying value. If the carrying value of goodwill or other indefinite lived assets exceeds its implied fair value, an impairment charge would be recorded in the statement of operations.

In 2015, we determined, based on our qualitative analysis, that it was appropriate to perform a two-step analysis. The first step involves a comparison of the fair value of the reporting unit with its carrying value. If the carrying amount of the reporting unit exceeds its fair value, the second step of the process involves a comparison of the implied fair value and carrying value of the goodwill of that reporting unit. If the carrying value of goodwill exceeds its implied fair value, an impairment charge is recorded in the statement of operations. The step one analysis did not indicate that our goodwill or indefinite lived intangible assets were impaired. As a result, no step two analysis was performed.

As a result of the annual qualitative review process in 2016 and 2014, we determined it was not necessary to perform a two-step analysis.

Accounts Receivable and Allowance for Doubtful Accounts. We do not generally charge interest to our customers, and we carry our customer receivables at their face amounts, less an allowance for doubtful accounts. Included in accounts receivable are balances billed to customers pursuant to retainage provisions in certain contracts that are due upon completion of the contracts and acceptance by the customer, or earlier, as provided by the contract. Based on our experience in recent years, the majority of customer balances at each balance sheet date are collected within twelve months. As is common practice in the industry, we classify all accounts receivable, including retainage, as current assets. The contracting cycle for certain long-term contracts may extend beyond one year, and accordingly, collection of retainage on those contracts may extend beyond one year.

We grant trade credit, on a non-collateralized basis (with the exception of lien rights against the property in certain cases) to our customers, and we are subject to potential credit risk related to changes in business and overall economic activity. We analyze specific accounts receivable balances, historical bad debts, customer credit-worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. In the event that a customer balance is deemed to be uncollectible the account balance is written-off against the allowance for doubtful accounts.

Item 7A.Quantitative and Qualitative Disclosures About Market Risk

As of December 31, 2016, we were not parties to any derivative instruments. We did not use any material derivative financial instruments during the years ended December 31, 2016, 2015 or 2014.

Borrowings under our 2016 Facility are based upon an interest rate that will vary depending upon the prime rate, federal funds rate and LIBOR. If the prime rate, federal funds rate or LIBOR rises, our interest payment obligations will increase and have a negative effect on our cash flow and financial condition. We currently do not maintain any hedging contracts that would limit our exposure to variable rates of interest when we have outstanding borrowings. If market rates of interest on all our revolving debt as of December 31, 2016, which is subject to variable rates, permanently increased by 1%, the increase in interest expense on all revolving debt would decrease future income before provision for income taxes and cash flows by approximately $0.6 million annually. If market rates of interest on all our revolving debt, which is subject to variable rates as of December 31, 2016, permanently decreased by 1%, the decrease in interest expense on all debt would increase future income before provision for income taxes and cash flows by the same amount.

Item 8. Financial Statements and Supplementary Data

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Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our Financial Statements for external purposes in accordance with U.S. GAAP. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2016 in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. GAAP.

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

Management's assessment of and conclusion on the Company's internal control over financial reporting as of December 31, 2016 excluded the internal control over financial reporting of Western Pacific Enterprises Ltd., which was acquired on October 28, 2016. Western Pacific Enterprises Ltd., represented a total of approximately 4.8% and 1.5% of total assets and net assets, respectively, as of December 31, 2016, and 0.8% and (2.4)% of contract revenues and income from operations, respectively, for the year then ended. Such exclusion is in accordance with Securities and Exchange Commission guidance that the assessment of a recently acquired business may be omitted in management's report on internal controls over financial reporting, provided the acquisition took place during the fiscal year being assessed.

Ernst & Young LLP, an independent registered public accounting firm, who audited and reported on the Financial Statements included in this report on Form 10-K, has audited the effectiveness of MYR Group's internal control over financial reporting as of December 31, 2016 as stated in their report which appears herein.

March 9, 2017

Report of Independent Registered Public Accounting Firm

To Board of Directors and Stockholders of
MYR Group Inc.

We have audited the accompanying consolidated balance sheets of MYR Group Inc. as of December 31, 2016 and 2015, and the related consolidated statements of operations and comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2016. 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 audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of MYR Group Inc. at December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), MYR Group Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 9, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Chicago, Illinois
March 9, 2017

Report of Independent Registered Public Accounting Firm

To Board of Directors and Stockholders of
MYR Group Inc.

We have audited MYR Group Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). MYR Group Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Western Pacific Enterprises Ltd., which is included in the 2016 consolidated financial statements of MYR Group Inc. and constituted approximately 4.8% and 1.5% of total assets and net assets, respectively, as of December 31, 2016, and 0.8% and (2.4)% of contract revenues and income from operations, respectively, for the year then ended. Our audit of internal control over financial reporting of MYR Group Inc. also did not include an evaluation of the internal control over financial reporting of Western Pacific Enterprises Ltd.

In our opinion, MYR Group Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of MYR Group Inc. as of December 31, 2016 and 2015, and the related consolidated statements of operations and comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2016 of MYR Group Inc. and our report dated March 9, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Chicago, Illinois
March 9, 2017

MYR GROUP INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)	December 31, 2016	December 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	$ 23,846	$ 39,797
Accounts receivable, net of allowances of $432 and $376, respectively	234,642	187,235
Costs and estimated earnings in excess of billings on uncompleted contracts	69,950	51,486
Receivable for insurance claims in excess of deductibles	18,477	11,290
Refundable income taxes	2,474	5,617
Other current assets	8,202	7,942
Total current assets	357,591	303,367
Property and equipment, net of accumulated depreciation of $209,466 and $181,575, respectively	154,891	160,678
Goodwill	46,781	47,124
Intangible assets, net of accumulated amortization of $4,684 and $3,798, respectively	11,566	11,362
Other assets	2,666	2,394
Total assets	$573,495	$ 524,925
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of capital lease obligations	$ 1,085	$ —
Accounts payable	99,942	73,300
Billings in excess of costs and estimated earnings on uncompleted contracts	42,321	40,614
Accrued self insurance	42,584	36,967
Other current liabilities	42,382	28,856
Total current liabilities	228,314	179,737
Deferred income tax liabilities	18,565	14,382
Long-term debt	59,070	—
Capital lease obligations, net of current maturities	3,833	—
Other liabilities	539	926
Total liabilities	310,321	195,045
Commitments and contingencies		
Stockholders' equity		
Preferred stock – $0.01 par value per share; 4,000,000 authorized shares; none issued and outstanding at December 31, 2016 and December 31, 2015	—	—
Common stock – $0.01 par value per share; 100,000,000 authorized shares; 16,333,139 and 19,969,347 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	162	198
Additional paid-in capital	140,100	161,342
Accumulated other comprehensive income (loss)	(433)	116
Retained earnings	123,345	168,224
Total stockholders' equity	263,174	329,880
Total liabilities and stockholders' equity	$573,495	$ 524,925

The accompanying notes are an integral part of these Financial Statements.

MYR GROUP INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(in thousands, except per share data)	Year ended December 31, 2016	2015	2014
Contract revenues	$ 1,142,487	$ 1,061,681	$ 943,967
Contract costs	1,007,764	939,340	811,553
Gross profit	134,723	122,341	132,414
Selling, general and administrative expenses	96,424	79,186	73,818
Amortization of intangible assets	886	571	334
Gain on sale of property and equipment	(1,341)	(2,257)	(142)
Income from operations	38,754	44,841	58,404
Other income (expense):			
Interest income	5	25	106
Interest expense	(1,299)	(741)	(722)
Other income, net	885	174	162
Income before provision for income taxes	38,345	44,299	57,950
Income tax expense	16,914	16,997	21,406
Net income	$ 21,431	$ 27,302	$ 36,544
Income per common share:			
– Basic	$ 1.25	$ 1.33	$ 1.73
– Diluted	$ 1.23	$ 1.30	$ 1.69
Weighted average number of common shares and potential common shares outstanding:			
– Basic	17,109	20,577	20,922
– Diluted	17,461	21,038	21,466
Net income	$ 21,431	$ 27,302	$ 36,544
Other comprehensive income (loss):			
Foreign currency translation adjustment	(549)	103	13
Other comprehensive income (loss)	(549)	103	13
Total comprehensive income	$ 20,882	$ 27,405	$ 36,557

The accompanying notes are an integral part of these Financial Statements.

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MYR GROUP INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands)	Preferred Stock	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (loss)	Retained Earnings	Total
Balance at December 31, 2013	$ —	21,223	$ 210	$ 161,202	$ —	$ 134,679	$ 296,091
Net income	—	—	—	—	—	36,544	36,544
Stock issued under compensation plans, net	—	253	3	1,061	—	—	1,064
Tax benefit from stock-based awards	—	—	—	592	—	—	592
Stock-based compensation expense	—	—	—	4,671	—	—	4,671
Shares repurchased	—	(686)	(7)	(16,440)	—	—	(16,447)
Reclassification of other comprehensive income	—	—	—	(13)	13	—	—
Stock issued – other	—	2	—	38	—	—	38
Balance at December 31, 2014	—	20,792	206	151,111	13	171,223	322,553
Net income	—	—	—	—	—	27,302	27,302
Stock issued under compensation plans, net	—	413	4	1,919	—	—	1,923
Tax benefit from stock-based awards	—	—	—	1,612	—	—	1,612
Stock-based compensation expense	—	—	—	4,837	—	—	4,837
Shares repurchased	—	(1,236)	(12)	(12,130)	—	(16,336)	(28,478)
Other comprehensive income	—	—	—	—	103	—	103
Reclassification of shares repurchased	—	—	—	13,965	—	(13,965)	—
Stock issued – other	—	—	—	28	—	—	28
Balance at December 31, 2015	—	19,969	198	161,342	116	168,224	329,880
Net income	—	—	—	—	—	21,431	21,431
Stock issued under compensation plans, net	—	589	6	6,213	—	—	6,219
Tax benefit from stock-based awards	—	—	—	2,044	—	—	2,044
Stock-based compensation expense	—	—	—	4,674	—	—	4,674
Shares repurchased	—	(4,228)	(42)	(34,235)	—	(66,310)	(100,587)
Other comprehensive income (loss)	—	—	—	—	(549)	—	(549)
Stock issued – other	—	3	—	62	—	—	62
Balance at December 31, 2016	$ —	16,333	$ 162	$ 140,100	$ (433)	$ 123,345	$ 263,174

The accompanying notes are an integral part of these Financial Statements.

MYR GROUP INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year ended December 31, 2016	2015	2014
Cash flows from operating activities:			
Net income	$ 21,431	$ 27,302	$ 36,544
Adjustments to reconcile net income to net cash flows provided by operating activities –			
Depreciation and amortization of property and equipment	38,236	37,458	33,089
Amortization of intangible assets	886	571	334
Stock-based compensation expense	4,674	4,837	4,671
Deferred income taxes	4,205	1,558	3,655
Gain on sale of property and equipment	(1,341)	(2,257)	(142)
Other non-cash items	194	200	139
Changes in operating assets and liabilities, net of acquisitions			
Accounts receivable, net	(27,485)	(17,765)	15,706
Costs and estimated earnings in excess of billings on uncompleted contracts	(17,001)	(4,597)	(4,090)
Receivable for insurance claims in excess of deductibles	(7,187)	1,021	(922)
Other assets	3,730	(5,634)	(1,255)
Accounts payable	17,322	6,742	(17,303)
Billings in excess of costs and estimated earnings on uncompleted contracts	(707)	1,003	(14,831)
Accrued self insurance	5,617	(2,616)	369
Other liabilities	11,916	(4,823)	(988)
Net cash flows provided by operating activities	54,490	43,000	54,976
Cash flows from investing activities:			
Proceeds from sale of property and equipment	3,299	2,758	320
Cash paid for acquisitions, net of cash acquired	(12,056)	(13,087)	—
Purchases of property and equipment	(25,371)	(46,599)	(39,045)
Net cash flows used in investing activities	(34,128)	(56,928)	(38,725)
Cash flows from financing activities:			
Net borrowings under revolving lines of credit	59,070	—	—
Payment of principal obligations under capital leases	(740)	—	—
Proceeds from exercise of stock options	6,218	1,923	725
Debt issuance costs	(1,012)	—	—
Excess tax benefit from stock-based awards	2,345	1,720	615
Repurchase of common shares	(101,483)	(27,582)	(16,447)
Other financing activities	63	28	38
Net cash flows used in financing activities	(35,539)	(23,911)	(15,069)
Effect of exchange rate changes on cash	(774)	—	—
Net increase (decrease) in cash and cash equivalents	(15,951)	(37,839)	1,182
Cash and cash equivalents:			
Beginning of period	39,797	77,636	76,454
End of period	$ 23,846	$ 39,797	$ 77,636

The accompanying notes are an integral part of these Financial Statements.

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MYR GROUP INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS – (continued)

(in thousands)	Year ended December 31, 2016	2015	2014
Supplemental Cash Flow Information:			
Cash paid during the period for:			
Income taxes payments	$ 6,274	$ 16,960	$ 17,403
Interest payments	1,114	591	577
Noncash investing activities:			
Acquisition of property and equipment for which payment is pending	614	1,328	749
Acquisition of property under capital lees arrangements	5,658	—	—
Noncash financing activities:			
Capital lease obligations initiated	5,658	—	—
Share repurchases that have not settled	—	896	—

The accompanying notes are an integral part of these Financial Statements.

MYR GROUP INC.

NOTES TO FINANCIAL STATEMENTS

1. Organization, Business and Significant Accounting Policies

Organization and Business

MYR Group Inc. (the "Company") is a holding company of specialty electrical construction service providers and is currently conducting operations through wholly-owned subsidiaries including: The L. E. Myers Co., a Delaware corporation; Harlan Electric Company, a Michigan corporation; Great Southwestern Construction, Inc., a Colorado corporation; Sturgeon Electric Company, Inc., a Michigan corporation; MYR Transmission Services, Inc., a Delaware corporation; E.S. Boulos Company, a Delaware corporation; High Country Line Construction, Inc., a Nevada corporation; Sturgeon Electric California, LLC, a Delaware limited liability company; and GSW Integrated Services, LLC, a Delaware limited liability company; MYR Transmission Services Canada, Ltd., a British Columbia corporation; Northern Transmission Services, Ltd., a British Columbia corporation and Western Pacific Enterprises Ltd., a British Columbia corporation.

The Company performs construction services in two business segments: Transmission and Distribution ("T&D"), and Commercial and Industrial ("C&I"). T&D customers include investor-owned utilities, cooperatives, private developers, government-funded utilities, independent power producers, independent transmission companies, industrial facility owners and other contractors. T&D provides a broad range of services, which include design, engineering, procurement, construction, upgrade, maintenance and repair services, with a particular focus on construction, maintenance and repair. The Company also provides C&I electrical contracting services to general contractors, commercial and industrial facility owners, local governments and developers in the western and northeastern United States and western Canada.

Significant Accounting Policies

Consolidation

The accompanying Financial Statements include the results of operations of the Company and its subsidiaries. Significant intercompany transactions and balances have been eliminated.

Revenue Recognition

Revenues under long-term contracts are accounted for under the percentage-of-completion method of accounting. Under the percentage-of-completion method, the Company estimates profit as the difference between total estimated revenue and total estimated cost of a contract and recognizes that profit over the contract term based on costs incurred under the cost-to-cost method.

Revenues from the Company's construction services are performed under fixed-price, time-and-equipment, time-and-materials, unit-price, and cost-plus fee contracts. For fixed-price and unit-price contracts, the Company uses the ratio of cost incurred to date on the contract to management's estimate of the contract's total cost, to determine the percentage of completion on each contract. This method is used as management considers expended costs to be the best available measure of progression of these contracts. Contract cost includes all direct costs on contracts, including labor and material, subcontractor costs and those indirect costs related to contract performance, such as supplies, fuel, tool repairs and depreciation. The Company recognizes revenues from construction services with fees based on time-and-materials, or cost-plus fee as the services are performed and amounts are earned. If contracts include contract incentive or bonus provisions, they are included in estimated contract revenues only when the achievement of such incentive or bonus is reasonably certain.

Contract costs incurred to date and expected total contract costs are continuously monitored during the term of the contract. Changes in job performance, job conditions and final contract settlements are factors that influence management's assessment of total contract value and the total estimated costs to complete those contracts and therefore, the Company's profit recognition. These changes, which include contracts with estimated costs in excess of estimated revenues, are recognized in contract costs in the period in which the revisions are determined. At the point the Company anticipates a loss on a contract, the Company estimates the ultimate loss through completion and recognizes that loss in the period in which the possible loss was identified.

MYR GROUP INC.

NOTES TO FINANCIAL STATEMENTS

1. Organization, Business and Significant Accounting Policies – (continued)

A change order is a modification to a contract that changes the provisions of the contract, typically resulting from changes in scope, specifications, design, manner of performance, facilities, equipment, materials, sites, or period of completion of the work under the contract. A claim is an amount in excess of the agreed-upon contract price that the Company seeks to collect from its clients or others for client-caused delays, errors in specifications and designs, contract terminations, change orders that are either in dispute or are unapproved as to both scope and price, or other causes. Costs related to change orders and claims are recognized when incurred. Revenue from a change order is included in total estimated contract revenue when it is probable that the change order will result in an addition to contract value and can be reliably estimated. Revenue from a claim is included in total estimated contract revenues, only to the extent that contract costs related to the claim have been incurred, when it is probable that the claim will result in an addition to contract value which can be reliably estimated. No profit is recognized on a claim until final settlement occurs.

The Company provides warranties to customers on a basis customary to the industry; however, the warranty period does not typically exceed one year. Historically, warranty claims have not been material to the Company.

Total revenues do not include sales tax as the Company considers itself a pass-through conduit for collecting and remitting sales taxes. Sales tax and value added tax collected from customers is included in other current liabilities on our consolidated balance sheets.

Foreign Currency

The functional currency for the Company's Canadian operations is the Canadian dollar. Assets and liabilities denominated in Canadian dollars are translated into U.S. dollars at the end-of-period exchange rate. Revenues and expenses are translated using average exchange rates for the periods reported. Cumulative translation adjustments are included as a separate component of accumulated other comprehensive income in shareholders' equity. Foreign currency transaction gains and losses, arising primarily from changes in exchange rates on short term monetary assets and liabilities, are recorded in the "other income, net" line on the consolidated statements of operations. For the year ended December 31, 2016, the Company recorded $0.2 million of foreign currency losses. Foreign currency transaction gains and losses, arising primarily from long term monetary assets and liabilities are recorded in the foreign currency translation adjustment line on the consolidated statements of comprehensive income.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

The most significant estimates are related to estimates of costs to complete on contracts, pending change orders and claims, shared savings, insurance reserves, income tax reserves, estimates surrounding stock-based compensation, the recoverability of goodwill and intangibles and accounts receivable reserves. Actual results could differ from these estimates.

During 2016, the Company revised its cost estimates on several large, multi-year transmission projects, which resulted in the recognition of approximately 0.2% of reduced gross margin. During 2015 and 2014, the Company revised its cost estimates on several large, multi-year transmission projects, which resulted in the recognition of approximately 0.5% and 1.9% of incremental gross margin, respectively. During 2016, the decrease in gross margin resulted in a decrease in income from operations of $2.6 million, a decrease in net income of $1.4 million, and a decrease in diluted earnings per share by $0.08. During 2015, the incremental gross margin resulted in $5.9 million of additional income from operations, $3.6 million of additional net income, and increased diluted earnings per share by $0.17. During 2014, the incremental gross

1. Organization, Business and Significant Accounting Policies – (continued)

margin resulted in $18.4 million of additional income from operations, $11.6 million of additional net income, and increased diluted earnings per share by $0.54.

Advertising

Advertising costs are expensed when incurred. Advertising costs, included in selling, general and administrative expenses, were $0.6 million, $0.5 million and $0.4 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recorded for future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, and are measured using the enacted tax rates and laws that are expected to be in effect when the underlying assets or liabilities are recovered or settled. The Company also evaluates the realizability of our deferred tax assets and valuation allowances are recorded when necessary to reduce deferred tax assets to the amounts expected to be realized.

Interest and penalties related to uncertain income tax positions are included in income tax expense in the accompanying consolidated statements of operations. Interest and penalties actually incurred are charged to interest expense and the “other income, net” line, respectively.

Stock-Based Compensation

The Company determines compensation expense for stock-based awards based on the estimated fair values at the grant date and recognize the related compensation expense over the vesting period. The Company uses the straight-line attribution method to recognize compensation expense related to stock-based awards, such as restricted stock and phantom stock, that have only service conditions. This method recognizes stock compensation expense on a straight-line basis over the requisite service period for the entire award. The Company recognizes compensation expense related to performance awards that vest based on internal performance metrics and service conditions on a straight-line basis over the service period, but adjust inception-to-date expense based upon our determination of the potential achievement of the performance target at each reporting date. The Company recognizes compensation expense related to performance awards with market-based performance metrics on a straight-line basis over the requisite service period. Stock-based compensation expense is adjusted for changes in estimated and actual forfeitures. The Company uses historical data to estimate the forfeiture rate that we use; however, these estimates are subject to change and may impact the value that will ultimately be recognized as stock compensation expense. Shares issued under the Company’s stock-based compensation program are taken out of authorized but unissued shares.

Earnings Per Share

The Company computes earnings per share using the treasury stock method unless the two-class method is more dilutive. The Company computed earnings per share for the years ended December 31, 2016 and 2015 using the treasury stock method. Under the treasury stock method, basic earnings per share are computed by dividing net income available to shareholders by the weighted average number of common shares outstanding during the period, and diluted earnings per share are computed by dividing net income available to shareholders by the weighted average number of common shares outstanding during the period plus all potentially dilutive common stock equivalents, except in cases where the effect of the common stock equivalent would be anti-dilutive.

For the year ended December 31, 2014, the Company computed earnings per share using the two-class method because that method resulted in a more dilutive effect than the treasury stock method. The two-class method is an earnings allocation formula that determines earnings per share for common stock and participating securities according to dividends declared and participation rights in undistributed earnings.

MYR GROUP INC.

NOTES TO FINANCIAL STATEMENTS

1. Organization, Business and Significant Accounting Policies – (continued)

Under the two-class method, the Company's unvested grants of restricted stock that contained non-forfeitable rights to dividends were treated as participating securities and were excluded from the computation of basic and diluted earnings per share. All shares of restricted stock granted since 2013 are not participating because the grant agreements contain provisions that dividends, if declared, will be forfeited if the grantee leaves the Company before the stock is vested.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. As of December 31, 2016 and 2015, the Company held its cash in checking accounts or in highly liquid money market funds. The Company's banking arrangements allow the Company to fund outstanding checks when presented to financial institutions for payment. The Company funds all intraday bank balances overdrafts during the same business day. Checks issued and outstanding in excess of bank balance are recorded in accounts payable in the Consolidated Balance Sheets and are reflected as a financing activity in the Consolidated Statements of Cash Flows. The Company had no checks issued and outstanding in excess of our bank balance as of December 31, 2016 and 2015.

Accounts Receivable and Allowance for Doubtful Accounts

The Company does not charge interest to its customers and carries its customer receivables at their face amounts, less an allowance for doubtful accounts. Included in accounts receivable are balances billed to customers pursuant to retainage provisions in certain contracts that are due upon completion of the contract and acceptance by the customer, or earlier as provided by the contract. Based on the Company's experience in recent years, the majority of customer balances at each balance sheet date are collected within twelve months. As is common practice in the industry, the Company classifies all accounts receivable, including retainage, as current assets. The contracting cycle for certain long-term contracts may extend beyond one year, and accordingly, collection of retainage on those contracts may extend beyond one year. The Company expects a majority of the retainage recorded at December 31, 2016 to be collected within one year, with the remaining to be collected in the subsequent year as the related contracts are completed.

The Company grants trade credit, on a non-collateralized basis (with the exception of lien rights against the property in certain cases), to its customers and is subject to potential credit risk related to changes in business and overall economic activity. The Company analyzes specific accounts receivable balances, historical bad debts, customer credit-worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. In the event that a customer balance is deemed to be uncollectible, the account balance is written-off against the allowance for doubtful accounts.

Classification of Construction Contract-related Assets and Liabilities

Costs and estimated earnings in excess of billings on uncompleted contracts are presented as a current asset in the accompanying consolidated balance sheets, and billings in excess of costs and estimated earnings on uncompleted contracts are presented as a current liability in the accompanying consolidated balance sheets. The Company's contracts vary in duration, with the duration of some larger contracts exceeding one year. Consistent with industry practices, the Company includes the amounts realizable and payable under contracts, which may extend beyond one year, in current assets and current liabilities. These balances are generally settled within one year.

Property and Equipment

Property and equipment is carried at cost. Depreciation is computed using the straight-line method over estimated useful lives. Major modifications or refurbishments which extend the useful life of the assets are capitalized and depreciated over the adjusted remaining useful life of the assets. Upon retirement or

1. Organization, Business and Significant Accounting Policies – (continued)

disposition of property and equipment, the cost and related accumulated depreciation are removed and any resulting gain or loss is recognized into income from operations. The cost of maintenance and repairs is charged to expense as incurred.

Leases

The Company leases certain real estate, construction equipment and office equipment. Real estate is generally leased for terms up to ten years in duration. The terms and conditions of leases (such as renewal or purchase options and escalation clauses), if material, are reviewed at inception to determine the classification (operating or capital) of the lease. Nonperformance-related default covenants, cross-default provisions, subjective default provisions and material adverse change clauses contained in material lease agreements, if any, are also evaluated to determine whether those clauses affect lease classification in accordance with Accounting Standards Codification ("ASC") Topic 840-10-25.

Insurance

The Company carries insurance policies, which are subject to certain deductibles, for workers' compensation, general liability, automobile liability and other coverages. The deductible for each line of coverage is up to $1.0 million, except for certain of the Company's health insurance benefit plans, which are subject to a deductible up to $0.2 million, for qualified individuals. Losses up to the deductible amounts are accrued based upon the Company's estimates of the ultimate liability for claims reported and an estimate of claims incurred but not yet reported.

The insurance and claims accruals are based on known facts, actuarial estimates and historical trends. While recorded accruals are based on the ultimate liability, which includes amounts in excess of the deductible, a corresponding receivable for amounts in excess of the deductible is included in current assets in the consolidated balance sheets.

Goodwill and Intangible Assets

Goodwill and intangible assets with indefinite lives are not amortized. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives. The Company reviews goodwill and intangible assets with indefinite lives for impairment on an annual basis at the beginning of the fourth quarter, or when circumstances change, such as a significant adverse change in the business climate or the decision to sell a business, both of which would indicate that impairment may have occurred. The Company performs a qualitative assessment to determine whether it is necessary to perform a two-step goodwill impairment test. The qualitative assessment considers financial, industry, segment and macroeconomic factors. If the qualitative assessment indicates a potential for impairment, the two-step method is used to determine if impairment exists. The two-step method begins with a comparison of the fair value of the reporting unit with its carrying value. If the carrying amount of the reporting unit exceeds its fair value, the second step of the process involves a comparison of the implied fair value and carrying value of the goodwill of that reporting unit. The company also performs a qualitative assessment on intangible assets with indefinite lives. If the qualitative assessment indicates a potential for impairment, a quantitative impairment test would be performed to compare the fair value of the indefinite-lived intangible asset with its carrying value. If the carrying value of goodwill or other indefinite-lived assets exceeds its implied fair value, an impairment charge would be recorded in the statement of operations.

In 2015, the Company determined, based on our qualitative analysis, that it was appropriate to perform a two-step analysis. The first step involves a comparison of the fair value of the reporting unit with its carrying value. If the carrying amount of the reporting unit exceeds its fair value, the second step of the process involves a comparison of the implied fair value and carrying value of the goodwill of that reporting unit. If the carrying value of goodwill exceeds its implied fair value, an impairment charge is recorded in the statement of operations. The step one analysis did not indicate that the Company's goodwill or indefinite lived intangible assets were impaired. As a result, no step two analysis was performed.

MYR GROUP INC.

NOTES TO FINANCIAL STATEMENTS

1. Organization, Business and Significant Accounting Policies – (continued)

As a result of the annual qualitative review process in 2016 and 2014, the Company determined it was not necessary to perform a two-step analysis.

Concentrations

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company maintains substantially all of its cash and cash equivalent balances with large financial institutions which are believed to be high quality institutions.

The Company grants trade credit under contractual payment terms, generally without collateral, to its customers, which include high credit quality electric utilities, governmental entities, general contractors and builders, owners and managers of commercial and industrial properties. Consequently, the Company is subject to potential credit risk related to changes in business and economic factors. However, the Company generally has certain statutory lien rights with respect to services provided. Under certain circumstances such as foreclosures or negotiated settlements, the Company may take title to the underlying assets in lieu of cash in settlement of receivables. As of December 31, 2016, one customer individually exceeded 10.0% of consolidated accounts receivable with an aggregate balance of approximately 11.2% of the total consolidated accounts receivable amount (excluding the impact of allowance for doubtful accounts). As of December 31, 2015, one customer individually exceeded 10.0% of consolidated accounts receivable with an aggregate balance of approximately 13.0% of the total consolidated accounts receivable amount (excluding the impact of allowance for doubtful accounts). The Company believes the terms and conditions in its contracts, billing and collection policies are adequate to minimize the potential credit risk.

The Company is subject to a concentration of risk because it derives a significant portion of its revenues from a few customers. The Company's top ten customers accounted for approximately 46.4%, 44.6% and 46.5% of consolidated revenues for the years ended December 31, 2016, 2015 and 2014, respectively. For the years ended December 31, 2016, 2015 and 2014, no single customer accounted for more than 10.0% of annual revenues.

As of December 31, 2016, approximately 91% of the Company's craft labor employees were covered by collective bargaining agreements. Although the majority of these agreements prohibit strikes and work stoppages, the Company cannot be certain that strikes or work stoppages will not occur in the future.

Recent Accounting Pronouncements

Changes to U.S. GAAP are typically established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates ("ASUs") to the FASB's Accounting Standards Codification ("ASC"). The Company considers the applicability and impact of all ASUs. The Company, based on its assessment, determined that any recently issued or proposed ASUs not listed below are either not applicable to the Company or may have minimal impact on its Financial Statements.

Recently Adopted Accounting Pronouncements

In April 2015, FASB issued ASU No. 2015-03, *Interest — Imputation of Interest (Topic 835)*, which simplifies the presentation of debt issuance costs by requiring debt issuance costs related to a debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. Additionally in August 2015, the FASB issued ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements (Topic 835)*, to clarify that an entity may elect to present debt issuance costs related to a line-of-credit arrangement as an asset, regardless of whether or not there are any outstanding borrowings on the line-of-credit arrangement. The Company adopted these ASUs on January 1, 2016. The Company has elected to present debt issuance costs related to the line of credit as a deferred asset within other assets as permitted by ASU 2015-15, resulting in no change on the Company's financial statements.

1. Organization, Business and Significant Accounting Policies – (continued)

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements — Going Concern (Topic 205)*. The amendments under this pronouncement address the diversity in practice in determining when there is substantial doubt about an entity's ability to continue as a going concern and when and how an entity must disclose certain relevant conditions and events. This update requires an entity to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a period of one year after the date that the financial statements are issued (or available to be issued). If such conditions or events exist, an entity should disclose that there is substantial doubt about the entity's ability to continue as a going concern for a period of one year after the date that the financial statements are issued (or available to be issued), along with the principal conditions or events that raise substantial doubt, management's evaluation of the significance of those conditions or events in relation to the entity's ability to meet its obligations and management's plans that are intended to mitigate those conditions or events. The standard was effective for interim and annual reporting periods ending after December 15, 2016. The Company adopted this ASU on December 31, 2016, which did not have any impact to the disclosures found within this annual report as there is no substantial doubt about the Company's ability to continue as a going concern.

Recently Issued Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles — Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which simplifies the subsequent measurement of goodwill, through elimination of Step 2 from the goodwill impairment test. Instead an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. The update is effective for any annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The guidance requires application on a prospective basis. The Company does not expect that this pronouncement will have a significant impact on its financial statements

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The update is effective for annual reporting periods beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted for financial statements that have not been previously issued. The guidance requires application on a prospective basis. The Company does not expect that this pronouncement will have a significant impact on its financial statements.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*, which modifies existing guidance and is intended to reduce the diversity in practice with respect to the accounting for income tax consequences of intra-entity transfers of assets. This update requires entities to immediately recognize the tax consequences on intercompany asset transfers (excluding inventory) at the transaction date, and eliminates the recognition exception within current guidance. The update is effective for annual reporting periods beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. The guidance requires application using a modified retrospective approach. The Company is evaluating the impact this pronouncement will have on its financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230)*: *Classification of Certain Cash Receipts and Cash Payments*, which is intended to reduce diversity in practice in how eight specific transactions are classified in the statement of cash flows. The update is effective for annual reporting periods beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, provided that all of the amendments are adopted in the same period. The guidance requires application using a retrospective approach. The Company is evaluating the impact this update will have on its financial statements.

MYR GROUP INC.

NOTES TO FINANCIAL STATEMENTS

1. Organization, Business and Significant Accounting Policies – (continued)

In March 2016, the FASB issued ASU No. 2016-09, *Compensation — Stock Compensation (Topic 718)*. The amendments under this pronouncement make modifications to the accounting treatment for forfeitures, required withholding on stock compensation and the financial statement presentation of excess tax benefits or deficiencies and certain components of stock compensation. The standard is effective for interim and annual reporting periods beginning after December 15, 2016, although early adoption is permitted in any interim period. When this pronouncement is adopted in 2017 the Company will discontinue estimating forfeitures and will account for forfeitures as they occur. Additionally the Company's future tax determination will be impacted, as excess tax benefits and deficiencies will no longer be allocated to the APIC pool, but will be a component of the current tax calculation. The Company does not expect the amendments under this pronouncement to have a material impact on the Company's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The amendments under this pronouncement will change the way all leases with durations in excess of one year or more are treated. Under this guidance, lessees will be required to recognize virtually all leases on the balance sheet as a right-of-use asset and an associated financing lease liability or capital lease liability. The right-of-use asset represents the lessee's right to use, or control the use of, a specified asset for the specified lease term. The lease liability represents the lessee's obligation to make lease payments arising from the lease, measured on a discounted basis. Based on certain characteristics, leases are classified as financing leases or operating leases. Financing lease liabilities, which contain provisions similar to capitalized leases, are amortized like capital leases under current accounting, as amortization expense and interest expense in the statement of operations. Operating lease liabilities are amortized on a straight-line basis over the life of the lease as lease expense in the statement of operations. This update is effective for annual reporting periods, and interim periods within those reporting periods, beginning after December 15, 2018. While the Company continues to evaluate the impact this pronouncement will have on its policies and procedures pertaining to its existing and future lease arrangements, disclosure requirements and on the Company's financial statements, the Company expects most existing operating lease commitments, that extend beyond twelve months at the time of adoption, will be recognized as lease liabilities and right-of-use assets upon adoption.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The amendments under this pronouncement will change how an entity recognizes revenue from contracts it enters to transfer goods, services or nonfinancial assets to its customers. These changes created a comprehensive framework for all entities in all industries to apply in the determination of when to recognize revenue, and, therefore, supersede virtually all existing revenue recognition requirements and guidance. This framework is expected to result in less complex guidance in application while providing a consistent and comparable methodology for revenue recognition. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: Step 1: Identify the contract(s) with the customer; Step 2: Identify the performance obligations in the contract; Step 3: Determine the transaction price; Step 4: Allocate the transaction price to the performance obligations in the contract; Step 5: Recognize revenue when, or as, the entity satisfies the performance obligations. In addition, the amendments require expanded disclosure to enable the users of the financial statements to understand the nature, timing and uncertainty of revenue and cash flow arising from contracts with customers. On August 16, 2015, the FASB deferred the effective date by one year to December 15, 2017 for annual reporting periods beginning after that date, permitting early adoption of the standard, but not before the original effective date of December 15, 2016. The Company plans to adopt the amendments under this pronouncement using the modified retrospective transition approach on January 1, 2018. The modified retrospective transition approach will recognize any changes from the beginning of the year of initial application through retained earnings with no restatement of comparative periods. As the amendments under this pronouncement will supersede substantially all existing revenue guidance affecting us under U.S. GAAP, it will impact revenue and cost

1. Organization, Business and Significant Accounting Policies – (continued)

recognition on some of our contracts across both our T&D and C&I business segments, in addition to impacting our business processes and our information technology systems. As a result, the Company's evaluation of the impact of this pronouncement and its expanded disclosure requirements, and all amendments relating to this pronouncement, on the Company's policies and procedures pertaining to recognition of revenue from contracts with customers, and the impact on the Company's financial statements is ongoing.

2. Acquisitions

Western Pacific Enterprises Ltd.

On October 28, 2016, the Company completed the acquisition of substantially all of the assets of Western Pacific Enterprises GP and of Western Pacific Enterprises Ltd., except for certain real estate owned by Western Pacific Enterprises Ltd., with the company continuing operations under the name Western Pacific Enterprises Ltd. ("WPE"), an electrical contracting firm in western Canada. With its main headquarters in Coquitlam, British Columbia, WPE provides a wide range of commercial and industrial electrical construction capabilities under the Company's C&I segment. WPE also provides substation construction capabilities under the Company's T&D segment. The total consideration paid was approximately $12.1 million, which was funded through borrowings from our line of credit. Total consideration paid included $2.2 million subject to potential net asset adjustments once the final net assets acquired are finalized by the end of 2017. These net asset adjustments were approximately $0.8 million as of the October 28, 2016 closing date and as of December 31, 2016. The Company accounted for the net asset adjustments as a reduction to consideration paid and will be funded through our escrow.

The purchase agreement also includes provisions for margin guarantee adjustments based upon performance subsequent to the acquisition on certain contracts. Contingent consideration of approximately $1.4 million related to the margin guarantee adjustments on certain contracts was recorded in other income for the year ended December 31, 2016. Future margin guarantee adjustments, if any, are expected to be completed by the end of 2017. Additionally, there could also be contingent payments based on the successful achievement of certain performance targets and continued employment of certain key executives of WPE. These payments are recognized as compensation expense in the consolidated statement of operations as incurred. During the year ended December 31, 2016 the Company recognized less than $0.1 million of compensation expense associated with these contingent payments.

The results of operations for WPE are included in the Company's consolidated statement of operations and the C&I segment from the date of acquisition. Costs of approximately $0.4 million related to the acquisition were included in selling, general and administrative expenses in the consolidated statement of operations.

2. Acquisitions – (continued)

The following table summarizes the allocation of the opening balance sheet from the date of acquisition through December 31, 2016:

(in thousands)	(as of acquisition date) October 28, 2016	Measurement Period Adjustments	(adjusted acquisition amounts as of) December 31, 2016
Total consideration, net of net asset adjustments	$ 11,283	$ —	$ 11,283
Accounts receivable, net	$ 20,249	$ —	$ 20,249
Costs and estimated earnings in excess of billings on uncompleted contracts	1,610	—	1,610
Other current assets	8	—	8
Property and equipment	4,108	—	4,108
Accounts payable	(10,125)	—	(10,125)
Billings in excess of costs and estimated earnings on uncompleted contracts	(3,020)	—	(3,020)
Other current liabilities	(2,294)	—	(2,294)
Net identifiable assets	10,536	—	10,536
Unallocated intangible assets	$ 747	$ —	$ 747

The Company has developed preliminary estimates of fair value of the assets acquired and liabilities assumed for the purposes of allocating the purchase price. Further adjustments are expected to the allocation as third party valuations of identifiable intangible assets, including backlog, customer relationships, trade name and off-market component, are determined, and as net asset adjustments are finalized. The Company expects that the excess of the purchase price over the net amount of the fair values to be assigned to assets acquired and liabilities assumed will be completely allocated to identifiable intangible assets. A portion of the identifiable intangible assets are expected to be tax deductible per applicable Canadian Revenue Authority regulations.

High Country Line Construction, Inc.

On November 24, 2015, the Company acquired all of the outstanding common stock of High Country Line Construction, Inc. ("HCL"). The acquisition of HCL expanded the Company's T&D construction services, predominantly in the western United States. The acquisition date fair value of consideration transferred, funded through existing cash resources, was $1.7 million, net of cash acquired. The purchase price was allocated to net identifiable assets with $0.3 million allocated to identifiable intangibles (backlog and customer relationships) and the remaining $0.2 million allocated to goodwill. The Company has finalized the purchase price accounting relating to the HCL acquisition. Costs of approximately $0.2 million related to the acquisition were included in selling, general and administrative expenses in the December 31, 2015 consolidated statement of operations.

E.S. Boulos Company

On April 13, 2015, the Company acquired substantially all of the assets of E.S. Boulos Company ("ESB"). The total consideration paid was approximately $11.4 million, which was funded through existing cash resources of the Company. Headquartered in Westbrook, Maine, ESB offers construction capabilities under the Company's T&D segment, including substation, transmission and distribution construction. ESB also provides commercial and industrial electrical construction under its C&I segment, including a wide range of commercial electrical construction services. The Company has finalized the purchase price accounting relating to the ESB acquisition.

3. Fair Value Measurements

The Company uses the three-tier hierarchy of fair value measurement, which prioritizes the inputs used in measuring fair value based upon their degree of availability in external active markets. These tiers include: Level 1 (the highest priority), defined as observable inputs, such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3 (the lowest priority), defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of December 31, 2016 and 2015, the Company determined that the carrying value of cash and cash equivalents approximated fair value based on Level 1 inputs. As of December 31, 2016, the fair value of the Company's long-term debt and capital lease obligations, were based on Level 2 inputs. The Company's long-term debt was based on variable and fixed interest rates at December 31, 2016, for new issues with similar remaining maturities and approximated carrying value. In addition, based on borrowing rates currently available to the Company for borrowings with similar terms, the carrying values of the Company's capital lease obligations also approximated fair value. The Company had no long-term debt or capital lease obligations, as of December 31, 2015.

4. Accounts Receivable

Accounts receivable consisted of the following at December 31:

(in thousands)	2016	2015
Contract receivables	$ 200,732	$ 159,794
Contract retainages	32,486	27,474
Other	1,856	343
	235,074	187,611
Less: Allowance for doubtful accounts	(432)	(376)
	$ 234,642	$ 187,235

The roll-forward of activity in the allowance for doubtful accounts was as follows for the years ended December 31:

(in thousands)	2016	2015	2014
Balance at beginning of period	$ 376	$ 1,179	$ 1,132
Less: Reduction in (provision for) allowances	(146)	528	(96)
Less: Write offs, net of recoveries	90	275	49
Balance at end of period	$ 432	$ 376	$ 1,179

5. Contracts in Process

The net asset position for contracts in process consisted of the following at December 31:

(in thousands)	2016	2015
Costs and estimated earnings on uncompleted contracts	$ 2,194,695	$ 2,153,085
Less: Billings to date	2,167,066	2,142,213
	$ 27,629	$ 10,872

5. Contracts in Process – (continued)

The net asset position for contracts in process is included in the accompanying consolidated balance sheets as follows at December 31:

(in thousands)	2016	2015
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 69,950	$ 51,486
Billings in excess of costs and estimated earnings on uncompleted contracts	(42,321)	(40,614)
	$ 27,629	$ 10,872

6. Property and Equipment

Property and equipment consisted of the following at December 31:

(dollars in thousands)	Estimated Useful Life in Years	2016	2015
Land	—	$ 5,468	$ 5,782
Buildings and improvements	3 to 39	21,660	21,401
Construction equipment	3 to 12	329,299	308,628
Office equipment	3 to 10	7,930	6,442
		364,357	342,253
Less: Accumulated depreciation and amortization		(209,466)	(181,575)
		$ 154,891	$ 160,678

Construction equipment includes assets under capital leases — see additional information provided in Note 12 to the Financial Statements.

Depreciation and amortization expense of property and equipment for the years ended December 31, 2016, 2015 and 2014 was $38.2 million, $37.5 million and $33.1 million, respectively.

7. Goodwill and Intangible Assets

Goodwill and intangible assets consisted of the following at December 31:

	2016			2015		
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Goodwill						
T&D	$ 40,224	$ —	$ 40,224	$ 40,567	$ —	$ 40,567
C&I	6,557	—	6,557	6,557	—	6,557
Total goodwill	$ 46,781	$ —	$ 46,781	$ 47,124	$ —	$ 47,124
Amortizable Intangible Assets						
Backlog	$ 989	$ 989	$ —	$ 765	$ 695	$ 70
Customer relationships	5,266	3,590	1,676	5,144	3,103	2,041
Trade names	695	79	616	695	—	695
Unallocated intangible assets	747	26	721	—	—	—
Foreign currency translation	(3)	—	(3)	—	—	—
Indefinite-lived Intangible Assets						
Trade names	8,556	—	8,556	8,556	—	8,556
Total Intangible assets	$ 16,250	$ 4,684	$ 11,566	$ 15,160	$ 3,798	$ 11,362

7. Goodwill and Intangible Assets – (continued)

The decrease in goodwill and as of December 31, 2016 compared to December 31, 2015 was due to the allocation of $0.3 million of goodwill to the HCL identifiable intangibles during the finalization of the HCL purchase price accounting. Unallocated intangible assets relate to the WPE acquisition and are being amortized based on preliminary allocations. Additional financial information related to these acquisitions is provided in Note 2 to the Financial Statements.

Customer relationships and backlog are being amortized on a straight-line method over an estimated useful life of approximately 12 years and the remaining life of the contract, respectively, and have been determined to have no residual value. Amortizable trade names are being amortized on a straight-line method over an estimated useful life of approximately 15 years. Infinite-lived trade names have been determined to have indefinite lives and, therefore, are not being amortized. Intangible asset amortization expense was $0.9 million for the year ended December 31, 2016, $0.6 million for the year ended December 31, 2015 and $0.3 million for the year ended December 31, 2014. Intangible asset amortization expense for the years subsequent to December 31, 2016 is expected to be approximately $0.7 million in 2017, $0.6 million in 2018, and $0.2 million for each of the years from 2019 to 2026, $0.1 million for each of the years from 2027 to 2028 and less than $0.1 million for 2029 and 2030.

8. Accrued Liabilities

Other current liabilities consisted of the following at December 31:

(in thousands)	2016	2015
Payroll and incentive compensation	$ 16,101	$ 10,499
Union dues and benefits	10,261	8,182
Profit sharing and thrift plan	2,004	1,294
Taxes, other than income taxes	7,639	3,578
Other	6,377	5,303
	$ 42,382	$ 28,856

9. Debt

On June 30, 2016, the Company entered into a five-year amended and restated credit agreement (the "Credit Agreement") with a syndicate of banks led by JPMorgan Chase Bank, N.A. and Bank of America, N.A. The Credit Agreement provides for a facility of $250 million (the "2016 Facility") that may be used for revolving loans and letters of credit. The 2016 Facility also allows for revolving loans and letters of credit in Canadian dollars and other currencies, up to the U.S. dollar equivalent of $50 million. The Company has an expansion option to increase the commitments under the 2016 Facility or enter into incremental term loans, subject to certain conditions, by up to an additional $100 million upon receipt of additional commitments from new or existing lenders. Subject to certain exceptions, the 2016 Facility is secured by substantially all of the assets of the Company and its domestic subsidiaries and by a pledge of substantially all of the capital stock of the Company's domestic subsidiaries and 65% of the capital stock of the direct foreign subsidiaries of the Company. Additionally, subject to certain exceptions, the Company's domestic subsidiaries also guarantee the repayment of all amounts due under the Credit Agreement. If an event of default occurs and is continuing, on the terms and subject to the conditions set forth in the Credit Agreement, amounts outstanding under the 2016 Facility may be accelerated and may become or be declared immediately due and payable. Borrowings under the Credit Agreement were used to refinance existing debt and are expected to be used for working capital, capital expenditures, acquisitions and other general corporate purposes.

Amounts borrowed under the Credit Agreement in U.S. dollars bear interest, at the Company's option, at a rate equal to either (1) the Alternate Base Rate (as defined in the Credit Agreement), plus an applicable margin ranging from 0.00% to 1.00%; or (2) Adjusted LIBO Rate (as defined in the Credit Agreement) plus an applicable margin ranging from 1.00% to 2.00%. Amounts borrowed under the Credit Agreement in any

9. Debt – (continued)

currency other than U.S. dollars bear interest at a rate equal to the Adjusted LIBO Rate plus an applicable margin ranging from 1.00% to 2.00%. The applicable margin is determined based on the Company's consolidated Leverage Ratio (as defined in the Credit Agreement). Letters of credit issued under the 2016 Facility are subject to a letter of credit fee of 1.125% to 2.125% for standby or commercial letters of credit or 0.625% to 1.125% for performance letters of credit, based on the Company's consolidated Leverage Ratio. The Company is subject to a commitment fee of 0.20% to 0.375% based on the Company's consolidated Leverage Ratio on any unused portion of the 2016 Facility. The Credit Agreement restricts certain types of payments when the Company's consolidated Leverage Ratio exceeds 2.25. The weighted average interest rate on borrowings outstanding through December 31, 2016, was 1.77% per annum.

Under the Credit Agreement, the Company is subject to certain financial covenants and must maintain a maximum consolidated Leverage Ratio of 3.0 and a minimum interest coverage ratio of 3.0, which is defined in the Credit Agreement as Consolidated EBITDA (as defined in the Credit Agreement) divided by interest expense. The Credit Agreement also contains a number of covenants including limitations on asset sales, investments, indebtedness and liens. In connection with any permitted acquisition where the total consideration exceeds $50 million, the Company may request that the maximum permitted consolidated Leverage Ratio increase from 3.0 to 3.5. Any such increase, if given effect, shall begin in the quarter in which such permitted acquisition is consummated and shall continue in effect for four consecutive fiscal quarters.

Prior to the amendment and restatement of the Credit Agreement, the Company had a five-year syndicated credit agreement with a facility of $175.0 million (the "2011 Facility"). The 2011 Facility provided funds for revolving loans and the issuance of letters of credit and up to $25.0 million for swingline loans.

The amount outstanding on the 2016 Facility was $59.1 million as of December 31, 2016. The Company had no revolving loans outstanding as of December 31, 2015.

As of December 31, 2016, the Company had irrevocable standby letters of credit outstanding under the 2016 Facility of approximately $23.7 million, including $17.6 million related to the Company's payment obligation under its insurance programs and approximately $6.1 million related to contract performance obligations. As of December 31, 2015, the Company had irrevocable standby letters of credit outstanding of approximately $19.3 million, including $17.5 million related to the Company's payment obligation under its insurance programs and approximately $1.8 million related to contract performance obligations.

The Company has remaining deferred debt issuance costs totaling $1.0 million as of December 31, 2016, related to entry into the line of credit. As permitted under ASU No. 2015-15, debt issuance costs have been deferred and are presented as an asset within other assets, which is amortized as interest expense over the term of the line of credit.

10. Income Taxes

Income before income taxes by geographic area was, for the years ended December 31:

(in thousands)	2016	2015	2014
Federal	$ 39,419	$ 45,456	$ 57,950
Foreign	(1,074)	(1,157)	—
	$ 38,345	$ 44,299	$ 57,950

MYR GROUP INC.

NOTES TO FINANCIAL STATEMENTS

10. Income Taxes – (continued)

The income tax provision consisted of the following for the years ended December 31:

(in thousands)	2016	2015	2014
Current			
Federal	$ 9,838	$ 12,433	$ 14,720
State	2,871	3,006	3,031
	12,709	15,439	17,751
Deferred			
Federal	2,491	1,553	3,154
Foreign	481	(272)	—
State	1,233	277	501
	4,205	1,558	3,655
Income tax expense	$ 16,914	$ 16,997	$ 21,406

The differences between the U.S. federal statutory tax rate and the Company's effective tax rate for continuing operations were as follows for the years ended December 31:

	2016	2015	2014
U.S federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of U.S. federal income tax expense	5.2	4.6	3.6
Provision to return adjustments, net	0.8	0.5	0.2
Tax differential on foreign earnings	2.2	0.3	—
Domestic production/manufacturing deduction	(1.9)	(2.4)	(2.3)
Deferred tax adjustments, net	1.6	—	—
Non-deductible meals and entertainment	1.0	0.6	0.4
Expiration of uncertain tax positions	—	(0.4)	—
Other income, net	0.2	0.2	—
Effective rate	44.1%	38.4%	36.9%

MYR GROUP INC.

NOTES TO FINANCIAL STATEMENTS

10. Income Taxes – (continued)

The net deferred tax assets and (liabilities) arising from temporary differences was as follows at December 31:

(in thousands)	2016	2015
Deferred income tax assets:		
Self insurance reserves	$ 6,670	$ 7,464
Contract loss reserves	257	240
Stock-based awards	2,554	3,986
Bonus	2,908	2,497
Non-U.S. operating loss	595	373
Other	1,652	1,484
Total deferred income tax assets before valuation allowances	14,636	16,044
Less: valuation allowances	(595)	—
Total deferred income tax assets	14,041	16,044
Deferred income tax liabilities:		
Property and equipment – tax over book depreciation	(26,664)	(25,859)
Intangible assets – tax over book amortization	(3,592)	(3,670)
Non-U.S. deferred income tax liabilities	(91)	—
Other	(2,259)	(897)
Total deferred income tax liabilities	(32,606)	(30,426)
Net deferred income taxes	$ (18,565)	$ (14,382)

The Company determined that it is more-likely-than-not that it will not realize the deferred tax assets on certain Canadian subsidiaries and recorded a valuation allowance against the entire related deferred tax assets.

As of December 31, 2016, the Company had no undistributed earnings of our Canadian subsidiaries. We expect future earnings to be reinvested. Accordingly, no provision for U.S. income taxes or foreign withholding taxes has been made.

The Company is subject to taxation in various jurisdictions. The Company's tax return for 2015 is subject to examination by U.S. federal authorities. The Company's tax returns are subject to examination by various state authorities for the years 2012 through 2015.

10. Income Taxes – (continued)

The Company has recorded a liability for unrecognized tax benefits related to tax positions taken on its various income tax returns. If recognized, the entire amount of unrecognized tax benefits would favorably impact the effective tax rate that is reported in future periods. The decrease in prior period tax positions is primarily due to the settlement of an Internal Revenue Service audit for the 2012 through 2014 tax years. The total unrecognized tax benefits is expected to be reduced by less than $0.1 million within the next 12 months due to the lapses in the applicable statutes of limitations. Interest and penalties related to uncertain income tax positions are included as a component of income tax expense in the Financial Statements.

The following is a reconciliation of the beginning and ending liability for unrecognized tax benefits at December 31:

(in thousands)	2016	2015
Balance at beginning of period	$ 425	$ 507
Gross increases in current period tax positions	100	62
Gross increases in prior period tax positions	—	19
Gross decreases in prior period tax positions	—	(163)
Reductions in tax positions due to lapse of statutory limitations	(12)	—
Settlements with taxing authorities	(243)	—
Balance at end of period	270	425
Accrued interest and penalties at end of period	31	139
Total liability for unrecognized tax benefits	$ 301	$ 564

The liability for unrecognized tax benefits, including accrued interest and penalties, was included in other liabilities in the accompanying consolidated balance sheets. The amount of interest and penalties charged or credited to income tax expense as a result of the unrecognized tax benefits was not significant in the years ended December 31, 2016, 2015 and 2014.

11. Commitments and Contingencies

Purchase Commitments

As of December 31, 2016, the Company had approximately $8.6 million in outstanding purchase orders for certain construction equipment, with cash outlay scheduled to occur over the next four months.

Insurance and Claims Accruals

The Company carries insurance policies, which are subject to certain deductibles, for workers' compensation, general liability, automobile liability and other coverages. The deductible per occurrence for each line of coverage is up to $1.0 million. The Company's health benefit plans, are subject to a deductible up to $0.2 million, for qualified individuals. Losses up to the deductible amounts are accrued based upon the Company's estimates of the ultimate liability for claims reported and an estimate of claims incurred but not yet reported.

11. Commitments and Contingencies – (continued)

The insurance and claims accruals are based on known facts, actuarial estimates and historical trends. While recorded accruals are based on the ultimate liability, which includes amounts in excess of the deductible, a corresponding receivable for amounts in excess of the deductible is included in current assets in the consolidated balance sheets at December 31:

(in thousands)	2016	2015	2014
Balance at beginning of period	$ 36,967	$ 39,480	$ 39,111
Net increases in reserves	25,139	15,686	16,220
Net payments made	(19,522)	(18,199)	(15,851)
Balance at end of period	$ 42,584	$ 36,967	$ 39,480

Insurance expense, including premiums, for workers' compensation, general liability, automobile liability, employee health benefits, and other coverages for the years ended December 31, 2016, 2015 and 2014 was $25.6 million, $23.6 million and $21.0 million, respectively.

Performance and Payment Bonds

In certain circumstances, the Company is required to provide performance and payment bonds in connection with its future performance on certain contractual commitments. The Company has indemnified its sureties for any expenses paid out under these bonds. As of December 31, 2016, an aggregate of approximately $887.7 million in original face amount of bonds issued by the Company's sureties were outstanding. Our estimated remaining cost to complete these bonded projects was approximately $58.2 million as of December 31, 2016.

Indemnities

From time to time, pursuant to its service arrangements, the Company indemnifies its customers for claims related to the services it provides under those service arrangements. These indemnification obligations may subject the Company to indemnity claims and liabilities and related litigation. The Company is not aware of any material unrecorded liabilities for asserted claims in connection with these indemnification obligations.

Collective Bargaining Agreements

Many of the Company's subsidiaries' craft labor employees are covered by collective bargaining agreements. The agreements require the subsidiaries to pay specified wages, provide certain benefits and contribute certain amounts to multi-employer pension plans. If a subsidiary withdraws from any of the multi-employer pension plans or if the plans were to otherwise become underfunded, the subsidiary could incur liabilities for additional contributions related to these plans. Although the Company has been informed that some of the multi-employer pension plans to which its subsidiaries contribute have been classified as "critical" status, the Company is not currently aware of any potential liabilities related to this issue. See Note 14 to the Financial Statements for further information related to the Company's participation in multi-employer plans.

Litigation and Other Legal Matters

The Company is from time-to-time party to various lawsuits, claims, and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract and/or property damages, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. With respect to all such lawsuits, claims and proceedings, the Company records reserves when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe that any of these proceedings, separately or in the aggregate, would be expected to have a material adverse effect on the Company's financial position, results of operation or cash flows.

11. Commitments and Contingencies – (continued)

The Company is routinely subject to other civil claims, litigation and arbitration, and regulatory investigations arising in the ordinary course of our present business as well as in respect of our divested businesses. Some of these claims and litigations include claims related to the Company's current services and operations, and asbestos-related claims concerning historic operations of a predecessor affiliate. The Company believes that it has strong defenses to these claims as well as insurance coverages that could contribute to any settlement or liability in the event any asbestos-related claim is not resolved in the Company's favor. These claims have not had a material impact on the Company to date, and the Company believes that the likelihood that a future material adverse outcome will result from these claims is remote. However, if facts and circumstances change in the future, the Company cannot be certain that an adverse outcome of one or more of these claims would not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

12. Lease Obligations

From time to time, the Company enters into leasing arrangements for real estate, vehicles and construction equipment. In 2016, the Company entered into master leasing arrangements for vehicles and construction equipment. Some of the leases entered into under these agreements were recorded as capital leases while others were treated as operating leases. As of December 31, 2016, the Company had no outstanding commitments to enter into future leases under its master lease agreements.

Capital Leases

The Company leases vehicles and certain equipment under capital leases. The economic substance of the leases is a financing transaction for acquisition of the vehicles and equipment and, accordingly, the leases are included in the balance sheets in property and equipment, net of accumulated depreciation, with a corresponding amount recorded in current portion of capital lease obligations or capital lease obligations, net of current maturities, as appropriate. The capital lease assets are amortized over the life of the lease or, if shorter, the life of the leased asset, on a straight-line basis and included in depreciation expense in the statements of operations. The interest associated with capital leases is included in interest expense in the statements of operations.

As of December 31, 2016, the Company had approximately $4.9 million of capital lease obligations outstanding, $1.1 million of which was classified as a current liability. As of December 31, 2015, the Company had no outstanding capital lease obligations.

As of December 31, 2016, $5.0 million of leased assets were capitalized in construction equipment, net of accumulated depreciation. Additional information related to property and equipment is provided in Note 6 to the Financial Statements.

Operating Leases

The Company leases real estate, construction equipment and office equipment under operating leases with remaining terms ranging from one to five years.

Rent expense includes lease payments as well as rent on items that are rented under cancellable rental agreements. Total rent expense for the years ended December 31, 2016, 2015 and 2014, was $44.9 million, $57.2 million and $41.1 million, respectively.

12. Lease Obligations – (continued)

The future minimum lease payments required under capital leases and operating leases, together with their present value of capital leases, as of December 31, 2016 were as follows:

(In thousands)	Capital Lease Obligations	Operating Lease Obligations
2017	$ 1,220	$ 2,519
2018	1,220	2,256
2019	1,220	1,851
2020	1,220	1,206
2021	380	761
Thereafter	—	612
Total minimum lease payments	$ 5,260	$ 9,205
Interest	(342)	
Net present of minimum lease payments	4,918	
Less: Current portion of capital lease obligations	1,085	
Long-term capital lease obligations	$ 3,833	

13. Stock-Based Compensation

The Company maintains two equity compensation plans under which stock-based compensation has been granted, the 2006 Stock Option Plan (the "2006 Plan") and the 2007 Long-Term Incentive Plan (Amended and Restated as of May 1, 2014) (the "LTIP"). Upon the adoption of the LTIP, awards were no longer granted under the 2006 Plan. The LTIP was approved by our stockholders and provides for grants of (a) incentive stock options qualified as such under U.S. federal income tax laws, (b) stock options that do not qualify as incentive stock options, (c) stock appreciation rights, (d) restricted stock awards, (e) performance awards, (f) phantom stock, (g) stock bonuses, (h) dividend equivalents, or (i) any combination of such awards. The LTIP permits the granting of up to 4,000,000 shares to directors, officers and other employees of the Company. Grants of awards to employees are approved by the Compensation Committee of the Board of Directors and grants to independent members of the Board of Directors are approved by the Board of Directors. All awards are made with an exercise price or base price, as the case may be, that is not less than the full fair market value per share on the date of grant. No stock option or stock appreciation right may be exercised more than 10 years from the date of grant.

Shares issued as a result of stock option exercises or stock grants may be made available from authorized unissued shares of common stock or treasury stock.

Stock Options

The Company has not awarded any stock options since 2013. Stock options granted to employees or directors vested ratably over a three- or four-year vesting period and were granted with an exercise price equal to the market price of the Company's stock on the date of grant. The Company used the Black-Scholes-Merton option-pricing model to estimate the fair value of options as of the date of grant. All stock options were fully expensed as of December 31, 2016.

13. Stock-Based Compensation – (continued)

Following is a summary of stock option activity for the three-year period ending December 31, 2016:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2014	1,147,320	$ 13.21		
Exercised	(134,273)	$ 7.93		
Forfeited	(2,838)	$ 22.66		
Expired	(1,428)	$ 24.26		
Outstanding at December 31, 2014	1,008,781	$ 13.87	4.2 years	$ 13,652
Exercised	(267,440)	$ 7.19		
Forfeited	(1,290)	$ 23.14		
Expired	(9,446)	$ 5.92		
Outstanding at December 31, 2015	730,605	$ 16.40	3.6 years	$ 3,722
Exercised	(443,283)	$ 14.03		
Forfeited	(933)	$ 24.68		
Expired	(40,672)	$ 21.40		
Outstanding and Exercisable at December 31, 2016	245,717	$ 19.82	4.4 years	$ 4,396

Other data relating to option activity for the years ended December 31 are as follows:

(dollars in thousands)	2016	2015	2014
Intrinsic value of options exercised	$ 7,832	$ 5,857	$ 2,383
Fair value of options vested	372	948	1,187

The following table summarizes information with respect to stock options outstanding and exercisable under the Company’s plans at December 31, 2016:

	Options Outstanding and Exercisable		
Exercise Price	Number Of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term
$7.98 – $13.00	44,212	$ 12.72	1.0 years
$13.01 – $20.00	88,638	$ 17.41	4.8 years
$20.01 – $24.68	112,867	$ 24.48	5.4 years
	245,717	$ 19.82	4.4 years

Restricted Stock

Restricted stock awards granted to non-employee directors and eligible employees in 2016 vest ratably, on an annual basis, over three years. The grant date fair value of the restricted stock was equal to the closing market price of the Company’s common stock on the date of grant. During the restriction period, the restricted stockholders are entitled to the same rights as a common stockholder with respect to the shares, including the right to vote and receive dividends Any dividends on restricted stock will be deferred and paid only when the stock vests and will be forfeited if the stock does not vest. Restricted stock awards are also subject to certain claw-back provisions, as defined in the grant agreements.

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NOTES TO FINANCIAL STATEMENTS

13. Stock-Based Compensation – (continued)

Following is a summary of restricted stock activity for the three-year period ending December 31, 2016:

	Shares	Per Share Weighted-Average Grant Date Fair Value
Outstanding unvested at January 1, 2014	211,716	$ 21.33
Granted	82,351	$ 24.46
Vested	(64,657)	$ 20.85
Forfeited	(9,073)	$ 21.34
Outstanding unvested at December 31, 2014	220,337	$ 22.64
Granted	83,236	$ 29.21
Vested	(102,297)	$ 22.42
Forfeited	(3,131)	$ 24.10
Outstanding unvested at December 31, 2015	198,145	$ 24.48
Granted	106,968	$ 24.63
Vested	(87,033)	$ 25.11
Forfeited	(3,144)	$ 26.09
Outstanding unvested at December 31, 2016	214,936	$ 25.21

Phantom Stock Units

Phantom stock unit awards granted to Canadian non-employee directors vest ratably, on an annual basis, over three years and are settled in stock. The phantom stock unit agreements contain tandem dividend provisions which allow grantees to accrue and receive dividends, if any are declared and paid, upon vesting. The grant date fair value of the phantom stock units was equal to the closing market price of the Company's common stock on the date of grant.

Following is a summary of phantom stock activity for the two-year period ending December 31, 2016:

	Shares	Per Share Weighted-Average Grant Date Fair Value
Outstanding unvested at January 1, 2015	—	$ 0.00
Granted	3,804	$ 29.57
Outstanding unvested at December 31, 2015	3,804	$ 29.57
Granted	5,944	$ 25.23
Vested	(1,268)	$ 29.57
Outstanding unvested at December 31, 2016	8,480	$ 26.53

Performance Awards

The Company has granted performance awards under which shares of the Company's common stock may be earned based on the Company's performance compared to certain metrics. The number of shares actually earned under a performance award may vary from zero to 200% of the target shares awarded, based upon the Company's performance compared to the metrics. The metrics used are determined at grant by the Compensation Committee of the Board of Directors and may be either based on internal measures such as the Company's financial performance compared to target or on a market-based metric such as the Company's stock performance compared to a peer group. Performance awards cliff vest upon attainment of the stated performance targets and minimum service requirements and are paid in common shares of the Company's stock.

13. Stock-Based Compensation – (continued)

The Company recognizes stock-based compensation expense related to market-based performance awards based on the grant date fair value, which is computed using a Monte Carlo simulation, net of forfeitures. The fair value is expensed over the service period, which is approximately 2.8 years. The Company recognizes stock-based compensation expense related to internal measure-based performance awards based on the grant date fair value, which was the closing price of the Company's stock on the date of grant. The fair value is expensed over the service period of approximately 2.8 years, and the Company adjusts the stock-based compensation expense related to internal metric-based performance awards according to its determination of the potential achievement of the performance target at each reporting date, net of estimated forfeitures.

Following is a summary of performance share award activity for the three-year period ending December 31, 2016:

	Shares	Per Share Weighted-Average Grant Date Fair Value
Outstanding at January 1, 2014	87,194	$ 21.29
Granted at target	85,078	$ 27.69
Earned for performance above target	25,292	$ 17.48
Vested	(65,237)	$ 17.48
Forfeited	(5,524)	$ 24.84
Outstanding at December 31, 2014	126,803	$ 26.63
Granted at target	69,978	$ 38.70
Forfeited for performance below target	(3,810)	$ 24.68
Vested	(40,474)	$ 24.68
Forfeited	(8,889)	$ 30.87
Outstanding at December 31, 2015	143,608	$ 32.68
Granted at target	79,661	$ 28.25
Earned for performance above target	20,650	$ 31.01
Vested	(98,270)	$ 27.74
Forfeited	(1,626)	$ 32.96
Outstanding at December 31, 2016	144,023	$ 32.92

Stock-based Compensation Expense

The Company recognized stock-based compensation expense of approximately $4.7 million, $4.8 million and $4.7 million for the years ended December 31, 2016, 2015 and 2014, respectively, in selling, general and administrative expenses. As of December 31, 2016, there was approximately $5.2 million of total unrecognized stock-based compensation expense related to awards granted under the LTIP, net of estimated forfeitures. This included $2.9 million of unrecognized compensation cost related to unvested restricted stock expected to be recognized over a remaining weighted average vesting period of approximately 1.5 years and $2.3 million of unrecognized compensation cost related to unvested performance awards, expected to be recognized over a remaining weighted average vesting period of approximately 1.6 years. Compensation cost related to unvested phantom stock has been fully expensed and has a remaining weighted average vesting period of approximately 2.1 years. Award agreements for restricted stock and phantom stock granted to non-employee directors after 2013 contained provisions which call for the vesting of all shares awarded upon change in control or resignation from the board for any reason except breach of fiduciary duty. As a result of these provisions, the fair value of restricted and phantom stock granted to the non-employee directors after 2013 was expensed on the date of the grant.

14. Employee Benefit Plans

The Company has a profit sharing and thrift employee benefit plan in effect for all eligible employees. Company contributions under this defined contribution plan are based upon a percentage of income with limitations as defined by the plan. Contributions for the years ended December 31, 2016, 2015 and 2014 amounted to $4.6 million, $3.4 million, and $6.9 million, respectively. The Company also has an employee benefit plan in effect for certain non-union hourly employees. Company contributions under this defined contribution plan are based upon a percentage of income with limitations as defined by the plan. Contributions for the years ended December 31, 2016, 2015 and 2014 amounted to $0.6 million, $0.7 million and $0.6 million, respectively.

The Company contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees, who are represented by over 100 local unions. The related collective-bargaining agreements between those organizations and the Company, which specify the rate at which the Company must contribute to the multi-employer defined pension plan, expire at different times between 2017 and 2019.

The risks of participating in these multiemployer defined benefit pension plans are different from single-employer plans in the following aspects:

1) Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

2) If a participating employer stops contributing to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

3) If the Company chooses to stop participating in a multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The amount of additional funds, if any, that the Company may be obligated to contribute to these plans in the future cannot be estimated due to uncertainty of the future levels of work that require the specific use of union employees covered by these plans, as well as the future contribution levels and possible surcharges on contributions applicable to these plans.

MYR GROUP INC.

NOTES TO FINANCIAL STATEMENTS

14. Employee Benefit Plans – (continued)

The following table summarizes plan information relating to the Company's participation in multi-employer defined benefit pension plans, including company contributions for the last three years, the status under the Pension Protection Act ("PPA") of the plans and whether the plans are subject to a funding improvement or rehabilitation plan, or contribution surcharges. The most recent zone status is for the plan's year-end indicated in the table. The zone status is based on information that the Company received from the plan, as well as from publicly available information on the U.S. Department of Labor website. The PPA zone status for the plan year ended on December 31, 2016 has not been listed because Forms 5500 were not yet available. Among other factors, plans in the red "critical" zone are generally less than 65 percent funded, plans in the yellow "endangered" zone are between 65 and 80 percent funded, and plans in the green zone are at least 80 percent funded. Also listed in the table below are the Company's contributions to defined contribution plans. Information in the table has been presented separately for individually significant plans and in the aggregate for all other plans.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status				Contributions to Plan for the Year Ended December 31,			Funding Plan	Surcharge Imposed
		Status	Plan Year End	Status	Plan Year End	2016	2015	2014		
						(in thousands)				
Defined Benefit Plans:										
National Electrical Benefit Fund	53-0181657 001	Green	12/31/2015	Green	12/31/2014	$ 9,040	$ 6,930	$ 6,330	No	No
Eighth District Electrical Management Pension Fund	84-6100393 001	Green	3/31/2016	Green	3/31/2015	7,519	5,598	5,197	No	No
IBEW Local 769 Management Pension Plan	86-6049763 001	Green	6/30/2015	Green	6/30/2014	1,709	2,120	1,833	No	No
IBEW Local 1249 Pension Plan	15-6035161 001	Yellow	12/31/2015	Yellow	12/31/2014	630	2,042	2,103	Yes	No
Defined Contribution Plans:										
National Electrical Annuity Plan	52-6132372 001		n/a		n/a	22,840	24,226	20,694	n/a	n/a
Eighth District Electrical Pension Fund Annuity Plan	84-6100393 002		n/a		n/a	4,883	3,700	3,553	n/a	n/a
All other plans:						7,175	8,070	5,114		
Total Contributions:						$53,796	$52,686	$44,824		

Total contributions to these plans correspond to the number of union employees employed at any given time and the plans in which they participate and varies depending upon the location and number of ongoing projects at a given time and the need for union resources in connection with such projects. The PPA data presented in the table above represents data available to us for the two most recent plan years.

One of the Company's subsidiaries was listed in the Eighth District Electrical Pension Fund's Form 5500 as providing more than 5 percent of the total contributions to that plan for the plan years ended March 31, 2016, 2015 and 2014 and the IBEW local 769 Management Pension Fund's Form 5500 as providing more than 5 percent of the total contributions to that plan for the plan years ended June 30, 2015 and 2014. Another of the company's subsidiaries was listed in the IBEW Local 1249 Pension Plan's Form 5500 as providing more than 5 percent of the total contributions to that plan for the plan years ended December 31, 2015 and 2014.

15. Segment Information

MYR Group is a specialty contractor serving the United States and Canadian electrical infrastructure markets. The Company has two reporting segments, each a separate operating segment, which are referred to as T&D and C&I. Performance measurement and resource allocation for the reporting segments are based on many factors. The primary financial measures used to evaluate the segment information are contract revenues and income from operations, excluding general corporate expenses. General corporate expenses include corporate facility and staffing costs, which includes safety costs, professional fees, management fees, and intangible amortization. The accounting policies of the segments are the same as those described in the Summary of Significant Accounting Policies.

Transmission and Distribution: The T&D segment provides a broad range of services on electric transmission and distribution networks and substation facilities which include design, engineering, procurement, construction, upgrade, maintenance and repair services with a particular focus on construction, maintenance and repair. T&D services include the construction and maintenance of high voltage transmission lines, substations and lower voltage underground and overhead distribution systems. The T&D segment also provides emergency restoration services in response to hurricane, ice or other storm-related damage. T&D customers include investor-owned utilities, cooperatives, private developers, government-funded utilities, independent power producers, independent transmission companies, industrial facility owners and other contractors.

Commercial and Industrial: The C&I segment provides services such as the design, installation, maintenance and repair of commercial and industrial wiring, installation of traffic networks and the installation of bridge, roadway and tunnel lighting. Typical C&I contracts cover electrical contracting services for airports, hospitals, data centers, hotels, stadiums, convention centers, manufacturing plants, processing facilities, waste-water treatment facilities, mining facilities and transportation control and management systems. C&I segment services are generally performed in the western and northeastern United States and in western Canada.

The information in the following table is derived from the segment's internal financial reports used for corporate management purposes:

(in thousands)	For the Year Ended December 31, 2016	2015	2014
Contract revenues:			
T&D	$ 818,972	$ 794,898	$ 699,595
C&I	323,515	266,783	244,372
	$ 1,142,487	$ 1,061,681	$ 943,967
Income from operations:			
T&D	$ 63,459	$ 63,155	$ 75,439
C&I	13,920	13,592	16,542
General Corporate	(38,625)	(31,906)	(33,577)
	$ 38,754	$ 44,841	$ 58,404

15. Segment Information – (continued)

The Company does not identify capital expenditures and total assets by segment in its internal financial reports due in part to the shared use of a centralized fleet of vehicles and specialized equipment. Identifiable assets, consisting of contract receivables, costs and estimated earnings in excess of billings on uncompleted contracts, construction materials inventory, goodwill and intangibles for each segment are as follows as of December 31:

(in thousands)	2016	2015
T&D	$ 235,548	$ 204,309
C&I	125,696	92,939
Other	212,251	227,677
	$ 573,495	$ 524,925

An allocation of total depreciation, including depreciation of shared construction equipment, and amortization to each segment is as follows:

	For the Year Ended December 31,		
(in thousands)	2016	2015	2014
Depreciation and amortization			
T&D	$ 35,947	$ 35,456	$ 30,957
C&I	3,175	2,573	2,466
	$ 39,122	$ 38,029	$ 33,423

For the year ended December 31, 2016, the Company had Canadian contract revenues of $36.5 million, of which $26.9 million and $9.6 million is attributable to the T&D and C&I segments, respectively. For the year ended December 31, 2015, the Company had Canadian contract revenues of $1.5 million, of which $1.4 million and $0.1 million is attributable to the T&D and C&I segments, respectively. The Company had no Canadian contract revenues in the year ended December 31, 2014. As of December 31, 2016 and 2015, there were $52.2 million and $1.9 million, respectively, of identifiable assets attributable to Canadian operations.

16. Earnings Per Share

The Company computes earnings per share using the treasury stock method unless the two-class method is more dilutive. The Company computed earnings per share for the years ended December 31, 2016 and 2015 using the treasury stock method. Under the treasury stock method, basic earnings per share are computed by dividing net income available to shareholders by the weighted average number of common shares outstanding during the period, and diluted earnings per share are computed by dividing net income available to shareholders by share is computed using the weighted average number of common shares outstanding during the period adjusted for plus all potentially dilutive common stock equivalents, except in cases where the effect of the common stock equivalent would be anti-dilutive.

For the year ended December 31, 2014, the Company computed earnings per share using the two-class method because that method resulted in a more dilutive effect than the treasury stock method. The two-class method is an earnings allocation formula that determines earnings per share for common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under the two-class method, the Company's unvested grants of restricted stock that contained non-forfeitable rights to dividends were treated as participating securities and were excluded from the computation of basic and diluted earnings per share. All shares of restricted stock granted since 2013 are not participating because the grant agreements contain provisions that dividends, if declared, will be forfeited if the grantee leaves the Company before the stock is vested.

16. Earnings Per Share – (continued)

Net income available to common shareholders and the weighted average number of common shares used to compute basic and diluted earnings per share was as follows:

(in thousands, except per share data)	For the Year Ended December 31, 2016	2015	2014
Numerator:			
Net income	$ 21,431	$ 27,302	$ 36,544
Less: Net income allocated to participating securities	—	—	(277)
Net income available to common shareholders	$ 21,431	$ 27,302	$ 36,267
Denominator:			
Weighted average common shares outstanding	17,109	20,577	20,922
Weighted average dilutive securities	352	461	544
Weighted average common shares outstanding, diluted	17,461	21,038	21,466
Income per common share, basic	$ 1.25	$ 1.33	$ 1.73
Income per common share, diluted	$ 1.23	$ 1.30	$ 1.69

For the years ended December 31, 2016, 2015 and 2014, certain common stock equivalents were excluded from the calculation of dilutive securities because their inclusion would either have been anti-dilutive or, for stock options, the exercise prices of those stock options were greater than the average market price of the Company's common stock for the period. All of the Company's non-participating unvested restricted shares were included in the computation of weighted average dilutive securities. The following table summarizes the shares of common stock underlying the Company's unvested stock options and performance awards that were excluded from the calculation of dilutive securities:

(In thousands)	2016	2015	2014
Stock options	—	3	100
Performance awards	63	34	—

Share Repurchase Program

During 2016, the Company's Board of Directors approved two amendments to the share repurchase program ("Repurchase Program"), which increased the Repurchase Program from $67.5 million to $162.5 million and extended the term of the program through August 15, 2017. During 2016, the Company repurchased 4,227,541 shares of its common stock at a weighted-average price of $23.79 per share; 4,189,858 of those shares were purchased under its Repurchase Program for approximately $99.8 million. Additionally, the Company repurchased 37,683 shares of stock, for approximately $0.9 million, from its employees to satisfy tax obligations on shares vested under the LTIP. All of the shares repurchased were retired and returned to authorized but unissued stock. The remaining availability to purchase shares under the Repurchase Program was $20.0 million as of December 31, 2016.

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17. Quarterly Financial Data (Unaudited)

The following table presents the unaudited consolidated operating results by quarter for the years ended December 31, 2016 and 2015:

	For the Three Months Ended			
(in thousands, except per share data)	March 31,	June 30,	September 30,	December 31,
2016:				
Revenues	$ 253,634	$ 261,934	$ 283,259	$ 343,660
Gross profit	27,281	31,435	34,063	41,944
Net income	1,987	5,500	6,146	7,798
Basic earnings per share	$ 0.10	$ 0.32	$ 0.39	$ 0.49
Diluted earnings per share	$ 0.10	$ 0.31	$ 0.38	$ 0.48
2015:				
Revenues	$ 244,148	$ 276,488	$ 269,861	$ 271,184
Gross profit	29,374	31,736	28,620	32,611
Net income	7,172	8,074	6,175	5,881
Basic earnings per share	$ 0.35	$ 0.39	$ 0.30	$ 0.29
Diluted earnings per share	$ 0.34	$ 0.38	$ 0.29	$ 0.29

Earnings per share amounts for each quarter are required to be computed independently using the weighted average number of shares outstanding during the period. As a result, the sum of the individual quarterly earnings per share amounts may not agree to the earnings per share calculated for the year.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in the reports we file or submit pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management, together with our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this annual report on Form 10-K. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and provided reasonable assurance related to the matters stated in the above paragraph as of December 31, 2016.

Evaluation of Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework set forth in *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's annual report on internal control over financial reporting and the report of our independent registered public accounting firm appear in Part II, Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

This annual report on Form 10-K includes a report of management's assessment regarding internal control over financial reporting (see "Management's Report on Internal Control over Financial Reporting") and an attestation report of our independent registered public accounting firm regarding internal control over financial reporting (see "Report of Independent Registered Public Accounting Firm").

For the year ended December 31, 2016, management's assessment of our internal control over financial reporting excluded the internal control over financial reporting of Western Pacific Enterprises Ltd., which was acquired on October 28, 2016. We are permitted to exclude subsidiaries that we acquired during 2016 from management's 2016 internal control assessment. Western Pacific Enterprises Ltd., represented a total of approximately 4.8% and 1.5% of total assets and net assets, respectively, as of December 31, 2016, and 0.8% and (2.4)% of contract revenues and income from operations, respectively, for the year then ended.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the fourth quarter ended December 31, 2016 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will detect or prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 9B.Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information required by this Item 10 related to our directors is incorporated by reference to the information to be included under “Proposal No. 1. Election of Directors” of our definitive Proxy Statement for our Annual Meeting of Stockholders scheduled to be held April 27, 2017 (“2017 Proxy Statement”). Information about compliance with Section 16(a) of the Exchange Act is incorporated by reference to the information to be included under the heading “Section 16(a) Beneficial Ownership Reporting Compliance” in our 2017 Proxy Statement. Information regarding the procedures by which our stockholders may recommend nominees to our board of directors is incorporated by reference to the information to be included under the heading “Nominating and Corporate Governance Committee Matters — Criteria for Nomination to the Board of Directors and Diversity” in our 2017 Proxy Statement. Information about our Audit Committee, including its members, and our Audit Committee financial experts, is incorporated by reference to the information to be included under the headings “Audit Committee Matters” in our 2017 Proxy Statement. The balance of the information required by this item is contained in the discussion entitled “Executive Officers” in Part I of this Annual Report on Form 10-K.

We have a code of ethics that applies to all of our directors, officers and other employees. This code is publicly available on our website at *www.myrgroup.com.* Amendments to the code of ethics or any grant of a waiver from a provision of the code requiring disclosure under applicable SEC and NASDAQ Global Market rules will be disclosed on our website or, if so required, disclosed in a Current Report on Form 8-K filed with the SEC. The information on our website is not, and shall not be deemed to be, a part of this Annual Report on Form 10-K or incorporated into any other filings we make with the SEC.

Item 11. Executive Compensation

The information required by this Item 11 is incorporated by reference to the information to be included in our 2017 Proxy Statement under the headings “Director Compensation,” “Compensation Discussion and Analysis,” “Executive Compensation Tables” and “Compensation Committee Matters — Compensation Committee Report for the Year Ended December 31, 2016.”

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item 12 is incorporated by reference to the information to be included in our 2017 Proxy Statement under the headings “Ownership of Equity Securities,” and “Compensation Discussion and Analysis.”

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 is incorporated by reference to the information to be included in our 2017 Proxy Statement under the headings “Certain Relationships and Related Person Transactions” and “Corporate Governance-Director Independence.”

Item 14. Principal Accounting Fees and Services

The information required by this Item 14 is incorporated by reference to the information to be included in our 2017 Proxy Statement under the heading “Audit Committee Matters — Independent Auditors’ Fees.”

PART IV

Item 15. Exhibits and Financial Statement Schedules

i) Documents filed as part of this Report

(1) The following Financial Statements are filed herewith in Item 8 of Part II above.

(a) Report of Management

(b) Reports of Independent Registered Public Accounting Firm

(c) Consolidated Balance Sheets

(d) Consolidated Statements of Operations

(e) Consolidated Statements of Comprehensive Income

(f) Consolidated Statements of Stockholders' Equity

(g) Consolidated Statements of Cash Flows

(h) Notes to Financial Statements

ii) Financial Statement Schedules

All other supplemental schedules are omitted because of the absence of conditions under which they are required, or the required information is shown in the notes to the Financial Statements.

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iii) Exhibit List

Number	Description
3.1	Restated Certificate of Incorporation, incorporated by reference to exhibit 3.1 of the Company's Form 8-K (File No. 001-08325), filed with the SEC on May 7, 2014
3.2	Amended and Restated By-Laws, incorporated by reference to exhibit 3.1 of the Company's Form 8-K (File No. 001-08325), filed with the SEC on December 22, 2015
4.1	Specimen Common Stock Certificate, incorporated by reference to exhibit 4.2 of the Company's Registration Statement on Form S-1/A (File No. 333-148864), filed with the SEC on July 14, 2008
10.1	Credit Agreement, dated December 21, 2011, between the Registrant and J.P. Morgan Chase Bank, N.A., Bank of America, N.A., PNC Bank, National Association, BMO Harris Bank N.A and Wells Fargo Bank, National Association, incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K (File No. 001-08325), filed with the SEC on December 23, 2011
10.2	Pledge and Security Agreement, dated December 21, 2011, between the Registrant, certain of its Subsidiaries and J.P. Morgan Chase Bank, N.A., in its capacity as administrative agent for the lenders party to the Credit Agreement, incorporated by reference to exhibit 10.2 of the Company's Current Report on Form 8-K (File No. 001-08325), filed with the SEC on December 23, 2011
10.3	Guaranty, dated December 21, 2011, between certain Subsidiaries of the Registrant in favor of J.P. Morgan Chase Bank, N.A., as administrative agent for the benefit of the Holders of Secured Obligations under the Credit Agreement, incorporated by reference to exhibit 10.3 of the Company's Current Report on Form 8-K (File No. 001-08325), filed with the SEC on December 23, 2011
10.4	Amended and Restated 2006 Stock Option Plan, incorporated by reference to exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 (File No. 001-08325), filed with the SEC on August 10, 2009+
10.5	Form of Option Award under 2006 Stock Option Plan, incorporated by reference to exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 (File No. 001-08325), filed with the SEC on August 10, 2009+
10.6	MYR Group Inc. 2007 Long-Term Incentive Plan (Amended and Restated as of May 1, 2014), incorporated by reference to exhibit 10.1 of the Company's Form 8-K (File No. 001-08325), filed with the SEC on May 7, 2014+
10.7	Form of Named Executive Officer Nonqualified Stock Option Award under the 2007 Long-Term Incentive Plan, incorporated by reference to exhibit 10.1 of the Company's Form 10-Q for the quarter ended March 31, 2010 (File No. 001-08325), filed with the SEC on May 10, 2010+
10.8	Form of Named Executive Officer Restricted Stock Award under the 2007 Long-Term Incentive Plan, incorporated by reference to exhibit 10.2 of the Company's Form 10-Q for the quarter ended March 31, 2010 (File No. 001-08325), filed with the SEC on May 10, 2010+
10.9	Form of Named Executive Officer Performance Share Award under the 2007 Long-Term Incentive Plan, incorporated by reference to exhibit 10.3 of the Company's Form 10-Q for the quarter ended March 31, 2010 (File No. 001-08325), filed with the SEC on May 10, 2010+
10.10	Form of Independent Director Restricted Stock Award under the 2007 Long-Term Incentive Plan, incorporated by reference to exhibit 10.4 of the Company's Form 10-Q for the quarter ended March 31, 2010 (File No. 001-08325), filed with the SEC on May 10, 2010+
10.11	Form of Employment Agreement, dated March 11, 2010, between the Registrant and Executive Officer, incorporated by reference to exhibit 10.5 of the Company's Form 10-Q for the quarter ended March 31, 2010 (File No. 001-08325), filed with the SEC on May 10, 2010+
10.12	Form of Indemnification Agreement for Directors and Officers, incorporated by reference to exhibit 10.1 of the Company's Form 8-K (File No. 001-08325), filed with the SEC on May 11, 2011+

Number	Description
10.13	MYR Group Senior Management Incentive Plan, Amended and Restated as of May 1, 2014, incorporated by reference to exhibit 10.2 of the Company's Current Report on Form 8-K (File No. 001-08325), filed with the SEC on May 7, 2014+
10.14	Form of Named Executive Officer Restricted Stock Award under 2007 Long-Term Incentive Plan, incorporated by reference to exhibit 10.15 of the Company's Form 10-K for the year ended December 31, 2013 (File No. 001-08325), filed with the SEC on March 5, 2014+
10.15	Form of Named Executive Officer Performance Share Award under 2007 Long-Term Incentive Plan, incorporated by reference to exhibit 10.16 of the Company's Form 10-K for the year ended December 31, 2013 (File No. 001-08325), filed with the SEC on March 5, 2014+
10.16	Form of Independent Director Restricted Stock Award under 2007 Long-Term Incentive Plan, incorporated by reference to exhibit 10.17 of the Company's Form 10-K for the year ended December 31, 2013 (File No. 001-08325), filed with the SEC on March 5, 2014+
10.17	Form of Independent Director Phantom Stock and Dividend Equivalents Award under the 2007 Long-Term Incentive Plan, incorporated by reference to exhibit 10.1 of the Company's Form 10-Q for the quarter ended June 30, 2015 (File No. 001-08325), filed with the SEC on August 5, 2015+
10.18	Employment agreement with Betty R. Johnson, incorporated by reference to exhibit 10.1 of the Company's Form 10-Q for the quarter ended September 30, 2015 (File No. 001-08325), filed with the SEC on November 4, 2015+
10.19	Employment Agreement, dated April 29, 2015 between the Company and Tod Cooper, incorporated by reference to exhibit 10.21 of the Company's Form 10-K for the year ended December 31, 2015 (File No. 001-08325), filed with the SEC on March 3, 2015+
10.20	Agreement, dated March 22, 2016, by and among MYR Group Inc., Engine Capital Management, LLC, Engine Capital, L.P., Engine Jet Capital, L.P., Engine Airflow Capital, L.P., Engine Investments, LLC, Engine Investments II, LLC, Arnaud Ajdler and John P. Schauerman, incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K (File No. 001-08325), filed with the SEC on March 23, 2016
10.21	Amended and Restated Credit Agreement, dated June 30, 2016, incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K (File No. 001-08325), filed with the SEC on July 7, 2016
10.22	Joinder, Amendment No. 1 and Reaffirmation of Pledge and Security Agreement, dated June 30, 2016, incorporated by reference to exhibit 10.2 of the Company's Current Report on Form 8-K (File No. 001-08325), filed with the SEC on July 7, 2016
10.23	Joinder, Amendment No. 1 and Reaffirmation of Guaranty, dated June 30, 2016, incorporated by reference to exhibit 10.3 of the Company's Current Report on Form 8-K (File No. 001-08325), filed with the SEC on July 7, 2016
10.24	Amended and Restated Employment Agreement, dated January 1, 2017, between the Company and William A. Koertner†+
10.25	Amendment to the Employment Agreement, dated January 1, 2017, between the Company and Richard S. Swartz, Jr.†+
10.26	Amendment to the Employment Agreement, dated January 1, 2017, between the Company and Tod Cooper†+
10.27	Employment Agreement, dated January 1, 2017, between the Company and Jeffrey Waneka†+
10.28	Agreement, dated January 30, 2017, by and among MYR Group Inc., Engine Capital Management, LLC, Engine Capital, L.P., Engine Jet Capital, L.P., Engine Airflow Capital, L.P., Engine Investments, LLC, Engine Investments II, LLC and Bradley Favreau†
21.1	List of Subsidiaries†
23.1	Consent of Ernst & Young LLP†
24.1	Power of Attorney†
31.1	Certification of Chief Executive Officer pursuant to SEC Rule 13a-14(a)/15d-14(a)†

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Number	Description
31.2	Certification of Chief Financial Officer pursuant to SEC Rule 13a-14(a)/15d-14(a)†
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. §1350†
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. §1350†
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

† Filed herewith.

+ Indicates management contract or compensatory plan or arrangement.

* Electronically filed.

SIGNATURES

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

	MYR Group Inc.
	(Registrant)
March 9, 2017	/s/ BETTY R. JOHNSON
	Name: Betty R. Johnson
	Title: *Senior Vice President, Chief Financial Officer and Treasurer*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
* Richard S. Swartz, Jr.	President and Chief Executive Officer (Principal Executive Officer)	March 9, 2017
/s/ BETTY R. JOHNSON Betty R. Johnson	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	March 9, 2017
* William A. Koertner	Executive Chairman of the Board of Directors	March 9, 2017
* Jack L. Alexander	Director	March 9, 2017
* Larry F. Altenbaumer	Director	March 9, 2017
* Bradley T. Favreau	Director	March 9, 2017
* Henry W. Fayne	Director	March 9, 2017
* Kenneth M. Hartwick	Director	March 9, 2017
* Gary R. Johnson	Director	March 9, 2017
* Donald C.I. Lucky	Director	March 9, 2017
* Maurice E. Moore	Director	March 9, 2017
* William D. Patterson	Director	March 9, 2017
*By: /s/ BETTY R. JOHNSON (Betty R. Johnson) *(Attorney-in-fact)*		March 9, 2017

Exhibit 10.24

AMENDED AND RESTATED

EMPLOYMENT AGREEMENT
William A. Koertner

This **AMENDED AND RESTATED EMPLOYMENT AGREEMENT** , dated as of January 1, 2017 (this "**Agreement**"), is by and between MYR Group Inc., a Delaware corporation (the "**Company**"), and **William A. Koertner** (the "**Key Employee**").

WITNESSETH:

WHEREAS, the Company has identified the Key Employee as an integral part of the Company's operation and management; and

WHEREAS, the Company recognizes the Key Employee's efforts and desires to reward those efforts to protect and enhance the best interests of the Company; and

WHEREAS, the Company and the Key Employee entered into an employment agreement dated as of December 1, 2007 (the "**Original Agreement**"); and

WHEREAS, the Original Agreement became effective December 20, 2007 (the "**Effective Date**"), which date was the date of closing of the offering and sale of equity securities by the Company pursuant to a Purchase/Placement Agreement to be entered into by and between the Company and Friedman, Billings, Ramsey & Co., Inc. (the "**Financing**"); and

WHEREAS, the Company and the Key Employee amended and restated the Original Agreement effective December 31, 2008 to obtain or preserve compliance with, or exemption from Section 409A of the Internal Revenue Code of 1986, as amended (the "**First Amended Agreement**"); and

WHEREAS, the Company and the Key Employee amended and restated the First Amended Agreement effective March 11, 2010 to revise certain provisions (the **"Second Amended Agreement"**); and

WHEREAS, the Company and the Key Employee desire to further amend and restate the Second Amended Agreement to, among other things, reflect a change in the Key Employee's position at the Company;

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

1.1 Definitions.

(a) **"Base Salary"** means the Key Employee's base salary as in effect from time to time, as described in Section 2.3(a).

(b) **"Board"** means the Board of Directors of the Company.

(c) **"Bonus Plan"** means the Senior Management Incentive Plan, as amended or as amended and restated from time to time.

(d) **"Cause"** means:

(i) A material breach by the Key Employee of Sections 3.9(b), (c), (d), (e) or (f) of this Agreement (regarding the non-competition, non-solicitation and confidentiality provisions);

(ii) The commission of a criminal act by the Key Employee against the Company, including but not limited to fraud, embezzlement or theft;

(iii) The conviction or plea of no contest or *nolo contendere* of the Key Employee for any felony or any misdemeanor that may result in a term of imprisonment greater than one (1) year; or

(iv) The Key Employee's failure or refusal to carry out, or comply with, in any material respect, any lawful directive of the Board consistent with the terms of this Agreement which is not remedied within thirty (30) days after the Key Employee's receipt of written notice from the Company.

Notwithstanding the foregoing, the Key Employee shall not be deemed to have been terminated for Cause pursuant to this Section 1.1(d) unless and until there shall have been delivered to the Key Employee a copy of a resolution duly adopted by at least seventy-five percent (75%) of the entire membership of the Board (not including for this purpose the Key Employee if the Key Employee is then a member of the Board) at a meeting of the Board called and held for such purpose (after reasonable notice to the Key Employee and a reasonable opportunity for the Key Employee, together with the Key Employee's counsel, to be heard before the Board), finding that in the good faith opinion of the Board, the Key Employee engaged in conduct set forth in this Section 1.1(d).

(e) **"Change in Control"** means the occurrence of a "change in the ownership of the Company," a "change in the effective control of the Company," or a "change in the ownership of a substantial portion of the Company's assets," as defined in Treasury Regulation §§1.409A-3(i)(5)(v), (vi) and (vii), respectively.

(f) **"COBRA"** means the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended.

(g) **"Code"** means the Internal Revenue Code of 1986, as amended and any regulations thereunder.

(h) **"Disability"** means that, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, the Key Employee is unable to engage in any substantial gainful activity or is receiving income replacement benefits under an accident and health benefit plan covering employees of the Company for a period of not less than three months.

(i) **"Good Reason"** means:

(i) a reduction of the Key Employee's Base Salary and/or annual target bonus opportunity without the Key Employee's prior written consent for which the Key Employee shall have given the Company written notice of such breach and the Company shall have failed to cure such breach within thirty (30) days after receipt of such notice;

(ii) the relocation of the Key Employee's primary work site to a location greater than fifty (50) miles from the Key Employee's work site as of the Effective Date; or

(iii) any other material breach by the Company of a material provision of this Agreement for which the Key Employee shall have given the Company written notice of such breach and the Company shall have failed to cure such breach within thirty (30) days after receipt of such notice.

Notwithstanding the foregoing, solely with respect to a termination of employment by the Key Employee during the Protection Period, in addition to clauses (i), (ii) and (iii), "Good Reason," shall also mean a material reduction of the Key Employee's duties (without the Key Employee's prior written consent) from those in Section 2.2 or as subsequently agreed to by the Key Employee and the Company for which the Key Employee shall have given the Company written notice of such breach and the Company shall have failed to cure such breach within thirty (30) days after receipt of such notice.

(j) **"Market Price,"** as of any date, shall mean the average of the high and low sale prices of the Company's common stock on Nasdaq as reported by Bloomberg L.P. for each of the five trading days immediately preceding such date.

(k) **"Post-Termination Period"** means the period beginning on the date that the Key Employee's employment terminates and ending on the first anniversary of such date.

(l) **"Protection Period"** means the period beginning on the date of the occurrence of a Change in Control and ending 12 months following the occurrence of a Change in Control.

(m) **"Severance Pay"** means, in the case of a termination of Key Employee's employment by the Company Without Cause or a termination of employment by the Key Employee with Good Reason (in each case, during the Employment Term and whether or not within the Protection Period), the sum of (i) an amount equal to the Base Salary that would have been owed to the Key Employee from and after the date of such termination through the end of the Employment Term plus (ii) in the event such termination occurs before December 31, 2017, an amount equal to the Target Bonus plus (iii) an amount equal to the Market Price on the date of such termination times the difference between the number of outstanding shares of Restricted Stock previously granted to the Key Employee under the Stock Plan that are forfeited upon such termination and 6,324 plus (iv) an amount equal to the Market Price on the date of such termination times the difference between the outstanding number of Performance Shares previously granted to the Key Employee that are forfeited upon such termination less 6,170.

(n) **"Severance Period"** means the period commencing on the date of the Key Employee's termination of employment and ending on March 31, 2018, in the case of a termination Without Cause or a termination by the Key Employee for Good Reason, whether or not during the Protection Period.

(o) **"Stock Plan"** means the MYR Group Inc. 2007 Long-Term Incentive Plan, as amended or as amended and restated from time to time.

(p) **"Without Cause"** means termination by the Company of the Key Employee's employment at the Company's sole discretion for any reason, other than by reason of the Key Employee's death or Disability, and other than a termination based upon Cause.

1.2 **Interpretations.** In this Agreement, unless a clear contrary intention appears, (a) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; (b) reference to any Article or Section, means such Article or Section hereof; and (c) the word "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 **Term.** The term of this Agreement shall be from January 1, 2017 through March 31, 2018 (the "**Employment Term**").

2.2 **Position, Duties and Services.** Effective January 1, 2017, the Key Employee shall cease to be President and Chief Executive Officer of the Company, shall cease to be an employee of any subsidiary of the Company and shall become Chairman of the Company's Board (the **"Chairman"**). The Key Employee shall serve as Chairman during the Employment Term and shall cease to be the Chairman at the end of the Employment Term. The Key Employee's ceasing to be Chairman shall not affect his continued tenure as a member of the Company's Board. While Chairman, the Key Employee shall have duties and responsibilities set forth in the Company's bylaws and other duties and responsibilities consistent with an executive serving in such capacity. The Key Employee shall perform such duties and responsibilities diligently and to the best of the Key Employee's abilities. The Key Employee's employment will be subject to the supervision and direction of the Board.

2.3 **Compensation.**

(a) Base Salary. The Key Employee shall receive a Base Salary during the Employment Term at the rate of **Three Hundred Fifty Thousand** dollars **($350,000)** per annum payable in periodic installments in accordance with the Company's normal payroll practices and procedures, which Base Salary may be increased (but not decreased) by the Board (or a committee thereof) from time to time.

(b) Target Bonus. For 2017, the Key Employee shall receive an annual target bonus under the Bonus Plan equal to 100% of his Base Salary (the "**Target Bonus**") with the payout of the award based on the achievement of annual performance objectives, as determined by the Board (or a committee thereof) in its discretion. The Key Employee will not receive a bonus under the Bonus Plan for 2018.

(c) Stock Grant. Key Employee shall receive an award of time-based Restricted Stock under the Stock Plan in an amount, with comparable terms and at the time in 2017 that an annual award of Restricted Stock under the Stock Plan is made to each non-employee member of the Company's Board, with the award of time-based Restricted Stock to the Key Employee providing for immediate vesting upon the Key Employee ceasing to be a member of the Company's Board.

(d) Incentive, Savings, Profit Sharing, and Retirement Plans. During the Employment Term, the Key Employee shall be entitled to participate in all other incentive, savings, profit sharing and retirement plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

(e) Welfare Benefit Plans. During the Employment Term, the Key Employee and/or the Key Employee's family, as the case may be, shall be eligible for participation in and will receive all benefits under the welfare benefit plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

2.4 Severance Benefit. The Key Employee shall be entitled to receive the severance benefits described in ARTICLE III upon the Key Employee's termination of employment during the Employment Term, provided the Key Employee satisfies the requirements outlined in ARTICLE III.

2.5 Indemnification. The Company shall (i) indemnify, hold harmless and defend the Key Employee to the extent permitted under applicable law from and against reasonable costs, including reasonable attorney's fees, incurred by the Key Employee in connection with or arising out of any acts or decisions made by the Key Employee in the course and scope of the Key Employee's employment hereunder and (ii) pay all reasonable expenses and reasonable attorney's fees actually incurred by the Key Employee in connection with or relating to the defense of any claim, action, suit or proceeding by any third party against the Key Employee arising out of or relating to any acts or decisions made by the Key Employee in the course and scope of the Key Employee's employment hereunder; provided, however, that such indemnification shall not apply with respect to the commission of a criminal act or any gross misconduct by the Key Employee. This Section 2.5 shall survive the termination or expiration of this Agreement.

ARTICLE III
EARLY TERMINATION

3.1 **Death.** Upon the death of the Key Employee during the Employment Term, this Agreement shall terminate and the Key Employee's estate shall be entitled to payment of the Key Employee's Base Salary through the date of such termination plus any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant. Payment of Base Salary through the date of termination and the payment of any other cash compensation to which the Key Employee is entitled under this Agreement that is not exempt from Code Section 409A shall be made in a lump sum payment as soon as administratively reasonable but not later than ninety (90) days following the date of the Key Employee's death.

3.2 **Disability.** In the event of the Key Employee's Disability during the Employment Term, this Agreement and the Key Employee's employment with the Company shall terminate and the Key Employee shall be entitled to payment of the following benefits: (a) the Key Employee's Base Salary through the date of such termination; (b) long-term disability benefits pursuant to the terms of any long-term disability policy provided to similarly situated employees of the Company in which the Key Employee is a participant; and (c) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant. Subject to Section 3.12(a), the payment of Base Salary through the date of termination and the payment of any other cash compensation to which the Key Employee is entitled under this Agreement that is not exempt from Code Section 409A shall be made in a lump sum payment as soon as administratively reasonable but not later than ninety (90) days following the date of the Key Employee's termination. Subject to Section 3.12(a) and Section 3.12(b), reimbursements or in-kind benefits to which the Key Employee is entitled that are not exempt from Code Section 409A shall be paid as soon as administratively reasonable following the date of payments as set forth in this Agreement, or the applicable plan, practice, policy or program.

3.3 **Termination for Cause by Company.** If the Key Employee's employment is terminated during the Employment Term for Cause, the Company shall pay the Key Employee through the date of termination (a) the Key Employee's Base Salary in effect at the time notice of termination is given at the applicable payment date under the Company's regular and customary payroll practices and (b) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant.

3.4 **Termination Without Good Reason by the Key Employee.** If the Key Employee terminates the Key Employee's employment with the Company during the Employment Term without Good Reason, whether or not during the Protection Period, the Company shall pay the Key Employee through the date of termination (a) the Key Employee's Base Salary in effect at the time notice of termination is given at the applicable payment date under the Company's regular and customary payroll practices and (b) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant.

3.5 Termination Without Cause or for Good Reason. If, during the Employment Term, the Key Employee's employment is terminated by the Company Without Cause or the Key Employee terminates the Key Employee's employment with the Company for Good Reason, the Key Employee shall be entitled to (a) the Key Employee's unpaid Base Salary through the date of termination; (b) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant in accordance with the terms and conditions of such compensation and benefit plans; (c) a lump sum payment equal to the Key Employee's Severance Pay; and (d) during the Severance Period, Company-paid benefit continuation coverage, on an insured or uninsured basis as determined by the Company in its sole discretion, concurrent with COBRA, for the Key Employee and the Key Employee's family under the welfare benefit plans specified in Section 2.3(e) in which the Key Employee is a participant, on the same basis as such benefits are provided to active employees. Unless otherwise indicated in this Agreement and subject to Section 3.12(a), the payment of Base Salary through the date of termination and the payment of any other cash compensation to which the Key Employee is entitled under this Agreement that is not exempt from Code Section 409A shall be made in a lump sum payment as soon as administratively reasonable but not later than ninety (90) days following the date of the Key Employee's termination. Subject to Section 3.12(a) and Section 3.12(b), reimbursements or in-kind benefits to which the Key Employee is entitled that are not exempt from Code Section 409A shall be paid as soon as administratively reasonable following the date of payments as set forth in this Agreement, or the applicable plan, practice, policy or program. Subject to Section 3.8, Section 3.11 and Section 3.12(a), the payment of any Severance Pay and the continuation of welfare benefit plan coverage, as provided in Section 2.3(e), shall be made (or commence) in the month immediately following the month in which the waiver and release of claims described in Section 3.8 becomes non-revocable (if applicable under Section 3.8) and in any event the payment of any Severance Pay under this Agreement shall be made no later than March 15 of the Key Employee's taxable year following the taxable year in which the Key Employee's termination of employment occurs.

3.6 Reemployment. Notwithstanding anything to the contrary herein, if the Key Employee becomes reemployed by another employer during the Severance Period and such subsequent employer provides or makes available to the Key Employee benefits that are comparable in the aggregate to the Company-paid benefit continuation coverage described in Section 3.5, the Key Employee shall provide written notice of such re-employment and eligibility for comparable benefits to the Company within thirty (30) days of the commencement of such new employment and eligibility for comparable benefits, at which time the Company-paid benefit continuation coverage described herein shall be terminated.

3.7 Termination of Company's Obligations. Upon termination of the Key Employee's employment for any reason, the Company's obligations under this Agreement shall terminate and the Key Employee shall be entitled to no compensation and benefits other than that provided in this ARTICLE III and Section 2.5. Notwithstanding such termination, the parties' obligations under Sections 2.5 and 3.9 of this Agreement shall remain in full force and effect.

3.8 Release. Notwithstanding the foregoing provisions of this ARTICLE III, the Key Employee shall be entitled to the additional benefits specified in Section 3.5 regarding termination Without Cause or for Good Reason (i.e., those in addition to the payment of the Key Employee's Base Salary through the date of termination and any benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant), only upon the Key Employee's execution (and non-revocation) and delivery to the Company of a waiver and release of all claims substantially in the form attached hereto, which execution (and non-revocation) and delivery must occur before the forty-fifth (45th) day immediately following the date of termination. The Company shall have no obligations under Section 3.5 if the Key Employee fails to deliver (and not revoke) the executed waiver and release of claims to the Company within the specified period of time. Notwithstanding the foregoing, if the Company does not deliver the form of release to the Key Employee within three (3) business days following the date of termination, then any requirement for the Key Employee to execute (and not revoke) and deliver the release as a condition of receiving any payments under Section 3.5 will have no effect, and the Key Employee will be entitled to receive any payments to which the Key Employee otherwise qualifies under Section 3.5, as applicable.

3.9 Non-Competition; Non-Solicitation; Confidentiality.

(a) The Key Employee acknowledges and agrees that: (i) the Company is engaged in the business of power line and commercial/industrial electrical construction services for electric utilities, telecommunication providers, commercial/industrial facilities, and government agencies and electrical construction and maintenance services for industrial and power generation clients (the "**Business**"); (ii) the Business is intensely competitive; (iii) the Key Employee's customer relationships are near permanent and but for the Key Employee's association with the Company, the Key Employee would not have had contact with the customers; (iv) the Key Employee will continue to develop and have access to and knowledge of non-public information of the Company and its clients; (v) the direct or indirect disclosure of any such confidential information to existing or potential competitors of the Company would place the Company at a competitive disadvantage and would do damage to the Company; (vi) the Key Employee has developed goodwill with the Company's clients at the substantial expense of the Company; (vii) but for the Key Employee entering into the covenants set forth in this Section 3.9, the Company would not have entered into the Financing and the closing of the offering and sale of equity securities by the Company as set forth above; (viii) the Key Employee engaging in any of the activities prohibited by this Section 3.9, would constitute improper appropriation and/or use of the Company's confidential information and/or goodwill; (ix) the Key Employee's association with the Company has been critical, and the Key Employee's association with the Company is expected to continue to be critical, to the success of the Company; (x) the services to be rendered by the Key Employee to the Company are of a special and unique character; (xi) Company conducts the Business throughout the United States; (xii) the noncompetition and other restrictive covenants and agreements set forth in this Agreement are fair and reasonable and it would not be reasonable to enter into the Financing without obtaining such non-competition and other restrictive covenants and agreements; and (xiii) in light of the foregoing and of the Key Employee's education, skills, abilities and financial resources, the Key Employee acknowledges and agrees that the Key Employee will not assert, and it should not be considered, that enforcement of any of the covenants set forth in this Section 3.9 would prevent the Key Employee from earning a living or otherwise are void, voidable or unenforceable or should be voided or held unenforceable.

(b) Agreement not to Compete. The Key Employee will not, during the Key Employee's employment and the Post-Termination Period, directly or indirectly, carry on or conduct, the Business or any business of the nature in which the Company or its subsidiaries are then engaged in any geographical area in which the Company or its subsidiaries or affiliates engage in business at the time of such termination or any new line of business with respect to which the Key Employee has created, received or had access to confidential information (as set forth below). The Key Employee agrees that the Key Employee will not so conduct or engage in the Business or any such business in any capacity, including as an individual on the Key Employee's own account or as a partner or joint venturer or as an employee, agent, consultant or salesman for any other person or entity, or as an officer or director of a corporation, provided, that the Key Employee may be a shareholder in any public corporation if the Key Employee does not own ten percent (10%) or more of any class of its stock. Notwithstanding the foregoing, the Key Employee shall not be bound by the provisions of this Section 3.9(b) in the event the Key Employee's employment is terminated during the Protection Period either by the Company Without Cause or by the Key Employee for Good Reason.

(c) Confidential Information. The Key Employee will not, directly or indirectly, during the Key Employee's employment and at any time following termination of the Key Employee's employment with the Company for any reason, reveal, divulge or make known to any person or entity, or use for the Key Employee's personal benefit (including for the purpose of soliciting business, whether or not competitive with any business of the Company or its subsidiaries or affiliates), any information acquired during the Employment Term with regard to the financial, business or other affairs of the Company or its subsidiaries or affiliates (including any list or record of persons or entities with which the Company or its subsidiaries or affiliates has any dealings), other than (i) for purposes of performing the Key Employee's duties and responsibilities pursuant to this Agreement; (ii) information already in the public domain; or (iii) information that the Key Employee is required to disclose under the following circumstances: (A) at the direction of any authorized governmental entity; (B) pursuant to a subpoena or other court process; (C) as otherwise required by law or the rules, regulations, or orders of any applicable regulatory body; or (D) as otherwise necessary, in the opinion of counsel for the Key Employee, to be disclosed by the Key Employee in connection with any legal action or proceeding involving the Key Employee in the Key Employee's capacity as an employee, officer, director, or stockholder of the Company or any subsidiary or affiliate of the Company.

(d) The Key Employee will, upon the earlier of (i) any time requested by the Company or (ii) termination of the Key Employee's employment with the Company for any reason, promptly deliver to the Company all documents, memoranda, notes, reports, lists, files, customer lists, mailing lists, software, disks, credit cards, door and file keys, computer access codes, instructional manuals, and other physical or personal property which the Key Employee received or prepared or helped to prepare in connection with the Key Employee's relationship with the Company including, but not limited to, any confidential information (as set forth above) of the Company or any of its subsidiaries and affiliates which the Key Employee may then possess or have under the Key Employee's control, and the Key Employee shall not retain any copies, duplicates, reproductions or excerpts thereof.

(e) Agreement not to Solicit. During the Employment Term and for the Post-Termination Period, the Key Employee shall not (except on behalf of or with the written consent of the Company), either directly or indirectly, on the Key Employee's own behalf or in the service or on behalf of others, (i) solicit, divert, or appropriate, or (ii) attempt to solicit, divert, or appropriate, any person or entity that is or was a customer of the Company or any of its affiliates at any time during the twelve (12) months prior to the date of the Key Employee's termination and with whom the Key Employee has had material contact.

(f) Agreement not to Recruit. During the Employment Term and for the Post-Termination Period, the Key Employee shall not, either directly or indirectly, on the Key Employee's behalf or in the service or on behalf of others, (i) solicit, divert, or hire away, or (ii) attempt to solicit, divert, or hire away, any employee of or consultant to the Company or its subsidiaries or affiliates.

(g) Reasonableness of Restrictions. The Key Employee acknowledges that the geographic boundaries, scope of prohibited activities, and time duration set forth in this Section 3.9 are reasonable in nature and are no broader than are necessary to maintain the goodwill of the Company and the confidentiality of its confidential information and to protect the legitimate business interests of the Company, and that the enforcement of such provisions would not cause the Key Employee any undue hardship nor unreasonably interfere with the Key Employee's ability to earn a livelihood. If any court determines that any portion of this Section 3.9 is invalid or unenforceable, the remainder of this Section 3.9 will not thereby be affected and will be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 3.9, or any part thereof, to be unreasonable because of the duration or scope of such provision, such court shall reduce the duration or scope of such provision and enforce such provision as so reduced.

(h) Enforcement. Upon the Key Employee's employment with an entity that is not a subsidiary or affiliate of the Company (a "**Successor Employer**") during the period that the provisions of this Section 3.9 remain in effect, the Key Employee will provide such Successor Employer with a copy of this Agreement and will notify the Company of such employment within thirty (30) days thereof. The Key Employee agrees that in the event of a breach or threatened breach of the terms and conditions of this Section 3.9 by the Key Employee, the Company will be entitled, if it so elects, to institute and prosecute proceedings, either in law or in equity, against the Key Employee, to obtain damages for any such breach, or to enjoin (in the form of specific performance, temporary restraining order, temporary or permanent injunction or otherwise) the Key Employee from any conduct in violation of this Section 3.9, without having to post a bond.

3.10 **<u>Parachute Payments</u>.** Notwithstanding anything to the contrary in this Agreement, if it is determined (as hereafter provided) that any payment or distribution to or for the Key Employee's benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation right or similar right, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (a "**Payment**"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such excise tax (such tax or taxes, together with any such interest and penalties, are hereafter collectively referred to as the "**Excise Tax**"), then the Key Employee shall be entitled to receive an additional payment or payments (a "**Gross-Up Payment**") in an amount such that, after payment by the Key Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Key Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. For purposes of determining whether any of the Payments will be subject to the Excise Tax and the amount of such Excise Tax, (i) all of the Payments shall be treated as "parachute payments" within the meaning of section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company's independent auditors and reasonably acceptable to the Key Employee such other payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of section 280G(b)(4)(A) of the Code, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered, within the meaning of section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as such term is defined in section 280G(b)(3) of the Code) allocable to such reasonable compensation, or are otherwise not subject to the Excise Tax, (ii) the amount of the Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of the Payments or (B) the amount of excess parachute payments within the meaning of section 280G(b)(1) of the Code (after applying clause (i), above), and (iii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of sections 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, the Key Employee shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Key Employee's residence on the date of termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time of the Key Employee's termination of employment, the Key Employee shall repay to the Company, at the time that the amount of such reduction in Excise Tax is finally determined, the portion of the Gross-Up Payment attributable to such reduction (plus that portion of the Gross-Up Payment attributable to the Excise Tax and federal, state and local income tax imposed on the Gross-Up Payment being repaid by the Key Employee to the extent that such repayment results in a reduction in Excise Tax and/or a federal, state or local income tax deduction) plus interest on the amount of such repayment at the rate provided in section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest, penalties or additions payable by Key Employee with respect to such excess) at the time that the amount of such excess is finally determined. The Key Employee and the Company shall each reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Excise Tax with respect to the Severance Payments. Notwithstanding anything in this Agreement to the contrary, in no event shall payments under this Section be made later than the end of the Key Employee's taxable year following the taxable year in which the related Excise Tax is remitted by or on behalf of the Key Employee. The Company's obligation to make Gross-Up Payments under this <u>Section 3.10</u> is not conditioned upon the Key Employee's termination of employment.

3.11 Benefit Coverage under Health Benefit Plans.

(a) If providing health benefit coverages through a welfare benefit plan as required by Section 3.4 or Section 3.5, would cause the plan to violate section 105(h) of the Code, then the Company shall provide the coverage through the Company's welfare benefit plan on an after-tax basis.

(b) In the event the Company provides the coverage to the Key Employee on an after-tax basis, then the Key Employee shall be entitled to receive an additional payment or payments (a "**Health Plan Gross-Up Payment**") in an amount such that, after payment by the Key Employee of all after-tax amounts paid by the Key Employee (if any) and all taxes (including any interest or penalties imposed with respect to such taxes) resulting from such after-tax treatment, the Key Employee is in the same position in respect of such coverages as though such coverages were provided as required by Section 3.5. For purposes of determining the amount of the Health Plan Gross-Up Payment, the Key Employee shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Health Care Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Key Employee's residence on the date of termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Notwithstanding anything in this Agreement to the contrary, in no event shall payments under this Section be made later than the end of the Key Employee's taxable year following the taxable year in which the related taxes are remitted by or on behalf of the Key Employee.

3.12 Payments Subject to Section 409A of the Code.

(a) Notwithstanding the foregoing provisions of this ARTICLE III, to the extent required by Section 409A of the Code and applicable guidance thereunder, payments that the Key Employee would otherwise be entitled to receive hereunder during the first six months following the date of the Key Employee's termination of employment will be accumulated and paid on the date that is six months and one day after the date of the Key Employee's termination of employment (or if such payment date does not fall on a business day of the Company, the next following business day of the Company), or such earlier date upon which such amount can be paid without adverse tax consequences to the Key Employee under Section 409A of the Code; provided, however, that no such delay shall apply with respect to payments to which the Key Employee is entitled in the event of the Key Employee's death.

(b) Any reimbursement of expenses or in-kind benefits provided under this Agreement, that is subject to and not exempt from Section 409A of the Code, shall be subject to the following additional rules: (i) any reimbursement of eligible expenses shall be paid as they are incurred (but not prior to the end of the six-month delay period set forth in Section 3.12(a)); provided that the Key Employee first provides documentation thereof in reasonable detail not later than sixty (60) days following the end of the calendar year in which the eligible expenses were incurred; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefits to be provided, during any other calendar year; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(c) For purposes of determining the Key Employee's entitlement to payment of any cash or other remuneration which is deferred compensation under Section 409A of the Code, any provision of this Agreement providing for payment of any such cash or remuneration upon "termination," "termination of employment" or other event which is a termination of an employment relationship with the Company means that such payment is to be made upon a "Separation from Service" (as such term is defined in Treasury regulations issued under Code Section 409A), with the Company and all of its subsidiaries and affiliates, for any reason, including without limitation, quit, discharge and retirement, and the Company and the Key Employee reasonably anticipate that no further services will be performed after such date or that the level of bona fide services performed after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services if the Key Employee has been providing services for less than 36 months).

(d) It is intended that the payments and benefits provided under this Agreement shall either be exempt from application of, or comply with, the requirements of Section 409A of the Code. This Agreement shall be construed, administered, and governed in a manner that affects such intent, and the Company shall not take any action that would be inconsistent with such intent. Without limiting the foregoing, the payments and benefits provided under this Agreement may not be deferred, accelerated, extended, paid out, or modified in a manner that would result in the imposition of an additional tax under Section 409A of the Code. Although the Company shall use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409A of the Code, the tax treatment of the benefits provided under this Plan is not warranted or guaranteed. The Company shall not be held liable for any taxes, interest, penalties, or other monetary amounts owed by the Key Employee or other taxpayers as a result of this Agreement.

ARTICLE IV
MISCELLANEOUS

4.1 **Governing Law.** This Agreement is governed by and will be construed in accordance with the laws of the State of Illinois, without regard to the conflicts of law principles of such State.

4.2 **Amendment and Waiver.** The provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Company and the Key Employee, and no course of conduct or failure or delay in enforcing the provisions of this Agreement will be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

4.3 **Severability.** Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction by reason of applicable law will, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

4.4 **Entire Agreement.** Except as provided in the written benefit plans and programs referenced in Section 2.3(c), Section 2.3(d) and Section 2.3(e), this Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

4.5 **Withholding of Taxes and Other Employee Deductions.** The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city, and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

4.6 **Legal Fees.** The Company shall reimburse the Key Employee for all reasonable legal fees and expenses incurred by the Key Employee in a dispute regarding the Key Employee's rights under this Agreement, within forty-five (45) day of when such fees and expenses are incurred, but in no event later than the end of the taxable year in which such fees and expenses are incurred, unless a court of competent jurisdiction determines the Key Employee's position in such dispute not to be bona fide.

4.7 **Headings.** The paragraph headings have been inserted for purposes of convenience and will not be used for interpretive purposes.

4.8 **Actions by the Board.** Any and all determinations or other actions required of the Board (or a committee thereof) hereunder that relate specifically to the Key Employee's employment by the Company or the terms and conditions of such employment will be made by the members of the Board or such committee other than the Key Employee (if the Key Employee is a member of the Board or such committee), and the Key Employee will not have any right to vote or decide upon any such matter.

4.9 **Construction.** The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

[Signature Page Follows]

INTENDING TO BE BOUND, the parties hereto have executed this Agreement as of the date first set forth above.

COMPANY:

MYR GROUP INC.

By: /s/ LARRY F. ALTENBAUMER
Name: Larry F. Altenbaumer
Title: Compensation Committee Chairman

KEY EMPLOYEE:

/s/ WILLIAM A. KOERTNER

Name: William A. Koertner

[FORM OF RELEASE]

Exhibit 10.25

SECOND AMENDMENT

to the

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

Richard S. Swartz, Jr.

This **SECOND AMENDMENT**, dated as of January 1, 2017, to the Amended and Restated Employment Agreement (the "**Agreement**") is by and between MYR Group Inc., a Delaware corporation (the "**Company**"), and **Richard S. Swartz, Jr.**, (the "**Key Employee**") (capitalized terms used in this Amendment that are not defined herein shall have the meanings given them in the Agreement, unless the context clearly requires otherwise).

WHEREAS, on January 1, 2017, the Company's Board of Director's appointment of Key Employee to the position of President and Chief Executive Officer became effective; and

WHEREAS, the Company and Key Employee desire to amended the Agreement to be consistent with this appointment.

NOW, THEREFORE, the parties hereto agree as follows:

Paragraph 2.2 of the Agreement is deleted in its entirety and replaced with the following:

2.2 **Position, Duties and Services.** The Key Employee shall serve in the position of **President and Chief Executive Officer** and shall have duties and responsibilities consistent with an executive serving in such capacity. The Key Employee shall perform such duties and responsibilities diligently and to the best of the Key Employee's abilities. The Key Employee's employment will be subject to the supervision and direction of the Board of Directors.

Paragraph 2.3 (a) of the Agreement is deleted in its entirety and replaced with the following:

2.3 (a) Base Salary. Beginning on the date of this Second Amendment the Key Employee shall receive a Base Salary at the rate of Five Hundred and Sixty-five Thousand dollars ($565,000) per annum payable in periodic installments in accordance with the Company's normal payroll practices and procedures, which Base Salary may be increased (but not decreased) by the Board or (a committee thereof) from time to time.

INTENDING TO BE BOUND, the parties hereto have executed this **AMENDMENT** as of the date first set forth above.

COMPANY:
MYR GROUP INC.

By: /s/ LARRY F. ALTENBAUMER
Name: Larry F. Altenbaumer
Title: Compensation Committee Chairman

KEY EMPLOYEE:

/s/ RICHARD S. SWARTZ, JR.
Name Richard S. Swartz, Jr.

Exhibit 10.26

AMENDMENT

to the

EMPLOYMENT AGREEMENT

Tod M. Cooper

This **SECOND AMENDMENT**, dated as of January 1, 2017, to the Amended and Restated Employment Agreement (the "**Agreement**") is by and between MYR Group Inc., a Delaware corporation (the "**Company**"), and **Tod M. Cooper**, (the "**Key Employee**") (capitalized terms used in this Amendment that are not defined herein shall have the meanings given them in the Agreement, unless the context clearly requires otherwise).

WHEREAS, on January 1, 2017, the Company's Board of Director's appointment of Key Employee to the position of Senior Vice President and Chief Operating Officer T&D became effective; and

WHEREAS, the Company and Key Employee desire to amended the Agreement to be consistent with this appointment.

NOW, THEREFORE, the parties hereto agree as follows:

Paragraph 2.2 of the Agreement is deleted in its entirety and replaced with the following:

2.2 **Position, Duties and Services.** The Key Employee shall serve in the position of **Senior Vice President and Chief Operating Officer T&D** and shall have duties and responsibilities consistent with an executive serving in such capacity. The Key Employee shall perform such duties and responsibilities diligently and to the best of the Key Employee's abilities. The Key Employee's employment will be subject to the supervision and direction of the Chief Executive Officer.

Paragraph 2.3 (a) of the Agreement is deleted in its entirety and replaced with the following:

2.3 (a) Base Salary. Beginning on the date of this Amendment the Key Employee shall receive a Base Salary at the rate of Three Hundred and Sixty-five Thousand dollars ($365,000) per annum payable in periodic installments in accordance with the Company's normal payroll practices and procedures, which Base Salary may be increased (but not decreased) by the Board or (a committee thereof) from time to time.

INTENDING TO BE BOUND, the parties hereto have executed this **AMENDMENT** as of the date first set forth above.

COMPANY:
MYR GROUP INC.

By: /s/ LARRY F. ALTENBAUMER
Name: Larry F. Altenbaumer
Title: Compensation Committee Chairman

KEY EMPLOYEE:

/s/ TOD M. COOPER
Name Tod M. Cooper

Exhibit 10.27

EMPLOYMENT AGREEMENT
Jeffrey J. Waneka

This **EMPLOYMENT AGREEMENT**, dated as of January 1, 2017 (this "**Agreement**"), is by and between MYR Group Inc., a Delaware corporation (the "**Company**"), and Jeffrey J. Waneka, (the "**Key Employee**").

WITNESSETH:

WHEREAS, the Company desires to secure the benefit of the Key Employee's experience and ability by employing the Key Employee in the capacity and on the terms set forth below, and the Key Employee desires to commit to serve the Company on the terms herein provided;

NOW, **THEREFORE**, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

1.1 **Definitions**.

(a) "**Base Salary**" means the Key Employee's base salary as in effect from time to time, as described in Section 2.3(a).

(b) "**Board**" means the Board of Directors of the Company.

(c) "**Cause**" means:

(i) A material breach by the Key Employee of Sections 3.9(b), (c), (d), (e) or (f) of this Agreement (regarding the non-competition, non-solicitation and confidentiality provisions);

(ii) The commission of a criminal act by the Key Employee against the Company, including but not limited to fraud, embezzlement or theft;

(iii) The conviction or plea of no contest or *nolo contendere* of the Key Employee for any felony or any misdemeanor that may result in a term of imprisonment greater than one (1) year; or

(iv) The Key Employee's failure or refusal to carry out, or comply with, in any material respect, any lawful directive of the Board consistent with the terms of this Agreement which is not remedied within thirty (30) days after the Key Employee's receipt of written notice from the Company.

Notwithstanding the foregoing, the Key Employee shall not be deemed to have been terminated for Cause pursuant to this Section 1.1(c) unless and until there shall have been delivered to the Key Employee a copy of a resolution duly adopted by at least seventy-five percent (75%) of the entire membership of the Board (not including for this purpose the Key Employee if the Key Employee is then a member of the Board) at a meeting of the Board called and held for such purpose (after reasonable notice to the Key Employee and a reasonable opportunity for the Key Employee, together with the Key Employee's counsel, to be heard before the Board), finding that in the good faith opinion of the Board, the Key Employee engaged in conduct set forth in this Section 1.1(c).

(d) "**Change in Control**" means the occurrence of a "change in the ownership of the Company," a "change in the effective control of the Company," or a "change in the ownership of a substantial portion of the Company's assets," as defined in Treasury Regulation §§1.409A-3(i)(5)(v), (vi) and (vii), respectively.

(e) "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(f) "**Code**" means the Internal Revenue Code of 1986, as amended and any regulations thereunder.

(g) "**Disability**" means that, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, the Key Employee is unable to engage in any substantial gainful activity or is receiving income replacement benefits under an accident and health benefit plan covering employees of the Company for a period of not less than three months.

(h) "**Good Reason**" means:

(i) a reduction of the Key Employee's Base Salary and/or annual target bonus opportunity without the Key Employee's prior written consent;

(ii) the relocation of the Key Employee's primary work site to a location greater than fifty (50) miles from the Key Employee's work site as of the Effective Date; or

(iii) any other material breach by the Company of a material provision of this Agreement for which the Key Employee shall have given the Company written notice of such breach and the Company shall have failed to cure such breach within thirty (30) days after receipt of such notice.

Notwithstanding the foregoing, solely with respect to a termination of employment by the Key Employee during the Protection Period, in addition to clauses (i), (ii) and (iii), "Good Reason," shall also mean a material reduction of the Key Employee's duties (without the Key Employee's prior written consent) from those in effect as of the Effective Date or as subsequently agreed to by the Key Employee and the Company for which the Key Employee shall have given the Company written notice of such breach and the Company shall have failed to cure such breach within thirty (30) days after receipt of such notice.

(i) “**Post-Termination Period**” means the period beginning on the date that the Key Employee’s employment terminates and ending on the first anniversary of such date.

(j) “**Protection Period**” means the period beginning on the date of the occurrence of a Change in Control and ending 12 months following the occurrence of a Change in Control.

(k) “**Severance Pay**” means

(i) two (2) times the sum of the Key Employee’s annual Base Salary and Target Bonus as of the date of the Key Employee’s termination of employment (without giving effect to any reduction that would otherwise constitute Good Reason), in the case of a termination Without Cause outside the Protection Period or a termination by the Key Employee with Good Reason outside the Protection Period; and

(ii) three (3) times the sum of the Key Employee’s annual Base Salary and Target Bonus as of the date of the Key Employee’s termination of employment, or if higher, the Key Employee’s annual Base Salary and Target Bonus for the fiscal year immediately preceding the fiscal year in which there occurs a Change in Control, in the case of a termination Without Cause during the Protection Period or a termination by the Key Employee for Good Reason during the Protection Period.

(l) “**Severance Period**” means the two (2) year period following the date of the Key Employee’s termination of employment, in the case of a termination Without Cause or a termination by the Key Employee for Good Reason, whether or not during the Protection Period.

(m) “**Without Cause**” means termination by the Company of the Key Employee’s employment at the Company’s sole discretion for any reason, other than by reason of the Key Employee’s death or Disability, and other than a termination based upon Cause.

1.2 **Interpretations**. In this Agreement, unless a clear contrary intention appears, (a) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; (b) reference to any Article or Section, means such Article or Section hereof; and (c) the word “including” (and with correlative meaning “include”) means including, without limiting the generality of any description preceding such term.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 **Term**. The term of this Agreement shall be for a period commencing on January 1, 2017 (the “**Effective Date**”) and ending on December 20, 2017 (the “**Initial Term**”), provided, however, that this Agreement shall automatically be extended for an additional one-year period at the end of the Initial Term and each one-year anniversary thereafter (each a “**Renewal Term**” and together with the Initial Term being referred to herein as the “**Employment Term**”), unless not later than one-hundred eighty (180) days prior to the end of the then-current period, either the Key Employee or the Company shall have provided written notice to the other party that it does not wish to extend this Agreement; provided, further, that if there occurs a Change in Control during the Employment Term, the Employment Term shall automatically be extended for an additional one-year period (in addition to any then remaining Initial Term or a Renewal Term, as applicable).

2.2 **Position, Duties and Services**. The Key Employee shall serve in the position of Vice President and Chief Operating Officer C&I and shall have duties and responsibilities consistent with an executive serving in such capacity. The Key Employee shall perform such duties and responsibilities diligently and to the best of the Key Employee's abilities. The Key Employee's employment will be subject to the supervision and direction of the Chief Executive Officer of the Company and the Board.

2.3 **Compensation**.

(a) Base Salary. The Key Employee shall receive an initial Base Salary at the rate of Two Hundred Eighty Thousand Dollars ($280,000) per annum payable in periodic installments in accordance with the Company's normal payroll practices and procedures, which Base Salary may be increased (but not decreased) by the Board or (a committee thereof) from time to time.

(b) Target Bonus. During the Employment Term, the Key Employee shall be eligible to receive an annual target bonus (the "**Target Bonus**") based on the achievement of annual performance objectives, as determined by the Board (or a committee thereof) in its discretion.

(c) Incentive, Savings, Profit Sharing, and Retirement Plans. During the Employment Term, the Key Employee shall be entitled to participate in all incentive, savings, profit sharing and retirement plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

(d) Welfare Benefit Plans. During the Employment Term, the Key Employee and/or the Key Employee's family, as the case may be, shall be eligible for participation in and will receive all benefits under the welfare benefit plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

2.4 **Severance Benefit**. The Key Employee shall be entitled to receive the severance benefits described in ARTICLE III upon the Key Employee's termination of employment during the Employment Term, provided the Key Employee satisfies the requirements outlined in ARTICLE III.

2.5 **Indemnification**. The Company shall (i) indemnify, hold harmless and defend the Key Employee to the extent permitted under applicable law from and against reasonable costs, including reasonable attorney's fees, incurred by the Key Employee in connection with or arising out of any acts or decisions made by the Key Employee in the course and scope of the Key Employee's employment hereunder and (ii) pay all reasonable expenses and reasonable attorney's fees actually incurred by the Key Employee in connection with or relating to the defense of any claim, action, suit or proceeding by any third party against the Key Employee arising out of or relating to any acts or decisions made by the Key Employee in the course and scope of the Key Employee's employment hereunder; provided, however, that such indemnification shall not apply with respect to the commission of a criminal act or any gross misconduct by the Key Employee. This Section 2.5 shall survive the termination or expiration of this Agreement.

ARTICLE III
EARLY TERMINATION

3.1 **Death**. Upon the death of the Key Employee during the Employment Term, this Agreement shall terminate and the Key Employee's estate shall be entitled to payment of the Key Employee's Base Salary through the date of such termination plus any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant. Payment of Base Salary through the date of termination and the payment of any other cash compensation to which the Key Employee is entitled under this Agreement that is not exempt from Code Section 409A shall be made in a lump sum payment as soon as administratively reasonable but not later than ninety (90) days following the date of the Key Employee's death.

3.2 **Disability**. In the event of the Key Employee's Disability during the Employment Term, this Agreement and the Key Employee's employment with the Company shall terminate and the Key Employee shall be entitled to payment of the following benefits: (a) the Key Employee's Base Salary through the date of such termination; (b) long-term disability benefits pursuant to the terms of any long-term disability policy provided to similarly situated employees of the Company in which the Key Employee is a participant; and (c) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant. Subject to Section 3.12(a), the payment of Base Salary through the date of termination and the payment of any other cash compensation to which the Key Employee is entitled under this Agreement that is not exempt from Code Section 409A shall be made in a lump sum payment as soon as administratively reasonable but not later than ninety (90) days following the date of the Key Employee's termination. Subject to Section 3.12(a) and Section 3.12(b), reimbursements or in-kind benefits to which the Key Employee is entitled that are not exempt from Code Section 409A shall be paid as soon as administratively reasonable following the date of payments as set forth in this Agreement, or the applicable plan, practice, policy or program.

3.3 **Termination for Cause by Company**. If the Key Employee's employment is terminated during the Employment Term for Cause, the Company shall pay the Key Employee through the date of termination (a) the Key Employee's Base Salary in effect at the time notice of termination is given at the applicable payment date under the Company's regular and customary payroll practices and (b) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant.

3.4 **Termination Without Good Reason by the Key Employee**. If the Key Employee terminates the Key Employee's employment with the Company during the Employment Term without Good Reason, whether or not during the Protection Period, the Company shall pay the Key Employee through the date of termination (a) the Key Employee's Base Salary in effect at the time notice of termination is given at the applicable payment date under the Company's regular and customary payroll practices and (b) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant.

3.5 **Termination Without Cause or for Good Reason Outside the Protection Period**. If, during the Employment Term and outside the Protection Period, the Key Employee's employment is terminated by the Company Without Cause or the Key Employee terminates the Key Employee's employment with the Company for Good Reason, the Key Employee shall be entitled to (a) the Key Employee's unpaid Base Salary through the date of termination; (b) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant in accordance with the terms and conditions of such compensation and benefit plans; (c) a lump sum payment equal to the Key Employee's Severance Pay; and (d) a lump sum payment equal to the product of (i) the number of months in the Severance Period multiplied by (ii) the monthly cost of maintaining health benefits for the Key Employee (and the Key Employee's spouse and eligible dependents) as of the date of the Key Employee's termination of employment under a group health plan of the Company for purposes of COBRA, on an after-tax basis and excluding any short-term or long-term disability insurance benefits. Unless otherwise indicated in this Agreement and subject to Section 3.12(a), the payment of Base Salary through the date of termination and the payment of any other cash compensation to which the Key Employee is entitled under this Agreement that is not exempt from Code Section 409A shall be made in a lump sum payment as soon as administratively reasonable but not later than ninety (90) days following the date of the Key Employee's termination. Subject to Section 3.12(a) and Section 3.12(b), reimbursements or in-kind benefits to which the Key Employee is entitled that are not exempt from Code Section 409A shall be paid as soon as administratively reasonable following the date of payments as set forth in this Agreement, or the applicable plan, practice, policy or program. Subject to Section 3.8 and Section 3.12(a), the payment of any Severance Pay and any amounts in respect of health benefits shall be made (or commence) in the month immediately following the month in which the waiver and release of claims described in Section 3.8 becomes non-revocable, except that, if the maximum period in which the waiver and release of claims described in Section 3.8 may be revoked ends in the year following the year in which Key Employee incurs a "**Separation from Service**" (as such term is defined in Treasury regulations issued under Code Section 409A), then the date on which the waiver and release of claims described in Section 3.8 becomes non-revocable will be deemed to be the later of the (A) the first business day in the year following the year in which Key Employee incurs a Separation from Service and (B) the date on which the waiver and release of claims described in Section 3.8 becomes non-revocable (without regard to this exception).

3.6 **Termination Without Cause or for Good Reason During the Protection Period**. If, during the Employment Term and during the Protection Period, the Key Employee's employment is terminated by the Company Without Cause or the Key Employee terminates the Key Employee's employment with the Company for Good Reason, the Key Employee shall be entitled to (a) the Key Employee's unpaid Base Salary through the date of termination; (b) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant in accordance with the terms and conditions of such compensation and benefit plans; (c) a lump sum payment equal to the Key Employee's Severance Pay; and (d) a lump sum payment equal to the product of (i) the number of months in the Severance Period multiplied by (ii) the monthly cost of maintaining health benefits for the Key Employee (and the Key Employee's spouse and eligible dependents) as of the date of the Key Employee's termination of employment under a group health plan of the Company for purposes of COBRA, on an after-tax basis and excluding any short-term or long-term disability insurance benefits. Unless otherwise indicated in this Agreement and subject to Section 3.12(a), the payment of Base Salary through the date of termination and the payment of any other cash compensation to which the Key Employee is entitled under this Agreement that is not exempt from Code Section 409A shall be made in a lump sum payment as soon as administratively reasonable but not later than ninety (90) days following the date of the Key Employee's termination. Subject to Section 3.12(a) and Section 3.12(b), reimbursements or in-kind benefits to which the Key Employee is entitled that are not exempt from Code Section 409A shall be paid as soon as administratively reasonable following the date of payments as set forth in this Agreement, or the applicable plan, practice, policy or program. Subject to Section 3.8 and Section 3.12(a), the payment of any Severance Pay and any amounts in respect of health benefits shall be made (or commence) in the month immediately following the month in which the waiver and release of claims described in Section 3.8 becomes non-revocable, except that, if the maximum period in which the waiver and release of claims described in Section 3.8 may be revoked ends in the year following the year in which Key Employee incurs a Separation from Service, then the date on which the waiver and release of claims described in Section 3.8 becomes non-revocable will be deemed to be the later of the (A) the first business day in the year following the year in which Key Employee incurs a Separation from Service and (B) the date on which the waiver and release of claims described in Section 3.8 becomes non-revocable (without regard to this exception). In the event of the Key Employee's termination under this Section 3.6, the Key Employee shall not be bound by the provisions of Section 3.9(b).

3.7 **Termination of Company's Obligations**. Upon termination of the Key Employee's employment for any reason, the Company's obligations under this Agreement shall terminate and the Key Employee shall be entitled to no compensation and benefits other than that provided in this ARTICLE III and Section 2.5. Notwithstanding such termination, the parties' obligations under Sections 2.5 and 3.9 of this Agreement shall remain in full force and effect.

3.8 **Release**. Notwithstanding the foregoing provisions of this ARTICLE III, the Key Employee shall be entitled to the additional benefits specified in Section 3.5 (regarding termination Without Cause or for Good Reason outside the Protection Period) and Section 3.6 (regarding termination Without Cause or for Good Reason during the Protection Period) (i.e., those in addition to the payment of the Key Employee's Base Salary through the date of termination and any benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant), only upon the Key Employee's execution (and non-revocation) and delivery to the Company of a waiver and release of all claims substantially in the form used by the Company for similarly situated employees, which execution (and non-revocation) and delivery must occur before the forty-fifth (45th) day immediately following the date of termination. The Company shall have no obligations under Section 3.5 and Section 3.6, as applicable, if the Key Employee fails to deliver (and not revoke) the executed waiver and release of claims to the Company within the specified period of time. Notwithstanding the foregoing, if the Company does not deliver the form of release to the Key Employee within three (3) business days following the date of termination, then any requirement for the Key Employee to execute (and not revoke) and deliver the release as a condition of receiving any payments under Section 3.5 and Section 3.6, as applicable, will have no effect, and the Key Employee will be entitled to receive any payments to which the Key Employee otherwise qualifies under Section 3.5 and Section 3.6, as applicable.

3.9 **Non-Competition; Non-Solicitation; Confidentiality**.

(a) The Key Employee acknowledges and agrees that: (i) the Company is engaged in the business of power line and commercial/industrial electrical construction services for electric utilities, telecommunication providers, commercial/industrial facilities, and government agencies and electrical construction and maintenance services for industrial and power generation clients (the "**Business**"); (ii) the Business is intensely competitive; (iii) the Key Employee's customer relationships are near permanent and but for the Key Employee's association with the Company, the Key Employee would not have had contact with the customers; (iv) the Key Employee will continue to develop and have access to and knowledge of non-public information of the Company and its clients; (v) the direct or indirect disclosure of any such confidential information to existing or potential competitors of the Company would place the Company at a competitive disadvantage and would do damage to the Company; (vi) the Key Employee has developed goodwill with the Company's clients at the substantial expense of the Company; (vii) but for the Key Employee entering into the covenants set forth in this Section 3.9, the Company would not have entered into this Agreement; (viii) the Key Employee engaging in any of the activities prohibited by this Section 3.9, would constitute improper appropriation and/or use of the Company's confidential information and/or goodwill; (ix) the Key Employee's association with the Company is expected to be critical to the success of the Company; (x) the services to be rendered by the Key Employee to the Company are of a special and unique character; (xi) the Company conducts the Business throughout North America; (xii) the noncompetition and other restrictive covenants and agreements set forth in this Agreement are fair and reasonable and it would not be reasonable for the Company to enter into this Agreement without obtaining such non-competition and other restrictive covenants and agreements; and (xiii) in light of the foregoing and of the Key Employee's education, skills, abilities and financial resources, the Key Employee acknowledges and agrees that the Key Employee will not assert, and it should not be considered, that enforcement of any of the covenants set forth in this Section 3.9 would prevent the Key Employee from earning a living or otherwise are void, voidable or unenforceable or should be voided or held unenforceable.

(b) Agreement not to Compete. The Key Employee will not, during the Key Employee's employment and the Post-Termination Period, directly or indirectly, carry on or conduct, the Business or any business of the nature in which the Company or its subsidiaries are then engaged in any geographical area in which the Company or its subsidiaries or affiliates engage in business at the time of such termination or any new line of business with respect to which the Key Employee has created, received or had access to confidential information (as set forth below). The Key Employee agrees that the Key Employee will not so conduct or engage in the Business or any such business in any capacity, including as an individual on the Key Employee's own account or as a partner or joint venturer or as an employee, agent, consultant or salesman for any other person or entity, or as an officer or director of a corporation, provided, that the Key Employee may be a shareholder in any public corporation if the Key Employee does not own ten percent (10%) or more of any class of its stock.

(c) Confidential Information. The Key Employee will not, directly or indirectly, during the Key Employee's employment and at any time following termination of the Key Employee's employment with the Company for any reason, reveal, divulge or make known to any person or entity, or use for the Key Employee's personal benefit (including for the purpose of soliciting business, whether or not competitive with any business of the Company or its subsidiaries or affiliates), any information acquired during the Employment Term with regard to the financial, business or other affairs of the Company or its subsidiaries or affiliates (including any list or record of persons or entities with which the Company or its subsidiaries or affiliates has any dealings), other than (i) for purposes of performing the Key Employee's duties and responsibilities pursuant to this Agreement; (ii) information already in the public domain; or (iii) information that the Key Employee is required to disclose under the following circumstances: (A) at the direction of any authorized governmental entity; (B) pursuant to a subpoena or other court process; (C) as otherwise required by law or the rules, regulations, or orders of any applicable regulatory body; or (D) as otherwise necessary, in the opinion of counsel for the Key Employee, to be disclosed by the Key Employee in connection with any legal action or proceeding involving the Key Employee in the Key Employee's capacity as an employee, officer, director, or stockholder of the Company or any subsidiary or affiliate of the Company.

(d) The Key Employee will, upon the earlier of (i) any time requested by the Company or (ii) termination of the Key Employee's employment with the Company for any reason, promptly deliver to the Company all documents, memoranda, notes, reports, lists, files, customer lists, mailing lists, software, disks, credit cards, door and file keys, computer access codes, instructional manuals, and other physical or personal property which the Key Employee received or prepared or helped to prepare in connection with the Key Employee's relationship with the Company including, but not limited to, any confidential information (as set forth above) of the Company or any of its subsidiaries and affiliates which the Key Employee may then possess or have under the Key Employee's control, and the Key Employee shall not retain any copies, duplicates, reproductions or excerpts thereof.

(e) Agreement not to Solicit. During the Employment Term and for the Post-Termination Period, the Key Employee shall not (except on behalf of or with the written consent of the Company), either directly or indirectly, on the Key Employee's own behalf or in the service or on behalf of others, (i) solicit, divert, or appropriate, or (ii) attempt to solicit, divert, or appropriate, any person or entity that is or was a customer of the Company or any of its affiliates at any time during the twelve (12) months prior to the date of the Key Employee's termination and with whom the Key Employee has had material contact.

(f) Agreement not to Recruit. During the Employment Term and for the Post-Termination Period, the Key Employee shall not, either directly or indirectly, on the Key Employee's behalf or in the service or on behalf of others, (i) solicit, divert, or hire away, or (ii) attempt to solicit, divert, or hire away, any employee of or consultant to the Company or its subsidiaries or affiliates.

(g) Reasonableness of Restrictions. The Key Employee acknowledges that the geographic boundaries, scope of prohibited activities, and time duration set forth in this Section 3.9 are reasonable in nature and are no broader than are necessary to maintain the goodwill of the Company and the confidentiality of its confidential information and to protect the legitimate business interests of the Company, and that the enforcement of such provisions would not cause the Key Employee any undue hardship nor unreasonably interfere with the Key Employee's ability to earn a livelihood. If any court determines that any portion of this Section 3.9 is invalid or unenforceable, the remainder of this Section 3.9 will not thereby be affected and will be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 3.9, or any part thereof, to be unreasonable because of the duration or scope of such provision, such court shall reduce the duration or scope of such provision and enforce such provision as so reduced.

(h) Enforcement. Upon the Key Employee's employment with an entity that is not a subsidiary or affiliate of the Company (a "**Successor Employer**") during the period that the provisions of this Section 3.9 remain in effect, the Key Employee will provide such Successor Employer with a copy of this Agreement and will notify the Company of such employment within thirty (30) days thereof. The Key Employee agrees that in the event of a breach or threatened breach of the terms and conditions of this Section 3.9 by the Key Employee, the Company will be entitled, if it so elects, to institute and prosecute proceedings, either in law or in equity, against the Key Employee, to obtain damages for any such breach, or to enjoin (in the form of specific performance, temporary restraining order, temporary or permanent injunction or otherwise) the Key Employee from any conduct in violation of this Section 3.9, without having to post a bond.

3.10 Parachute Payments.

(a) Notwithstanding anything to the contrary in this Agreement, in the event that any payment or distribution to or for the Key Employee's benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation right or similar right, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (all such payments and benefits, together, the "**Total Payments**"), would be subject (in whole or part), to any excise tax imposed under Section 4999 of the Code, or any successor provision thereto (the "**Excise Tax**"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other agreement, policy, plan, program or arrangement, the Company will reduce the Total Payments to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax (but in no event to less than zero), in the following order: (i) the payments that are payable in cash that are valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) shall be reduced (if necessary, to zero), with amounts that are payable last reduced first; (ii) payments and benefits due in respect of any equity valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24) shall next be reduced; (iii) the payments that are payable in cash that are valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24, with amounts that are payable last reduced first, shall next be reduced; (iv) payments and benefits due in respect of any equity valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24, with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24) shall next be reduced; and (v) all other non-cash benefits not otherwise described in clauses (ii) or (iv) shall be next reduced pro-rata; provided, however, that the Total Payments shall only be reduced if (A) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state, municipal and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (B) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state, municipal and local income taxes on such Total Payments and the amount of Excise Tax to which the Key Employee would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax: (i) no portion of the Total Payments the receipt or enjoyment of which the Key Employee shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the opinion of tax counsel ("**Tax Counsel**") reasonably acceptable to the Key Employee and selected by the accounting firm which was, immediately prior to the change in control, the Company's independent auditor (the "**Auditor**"), does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of Tax Counsel, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as set forth in Section 280G(b)(3) of the Code) that is allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

(c) At the time that payments are made under this Agreement, the Company shall provide the Key Employee with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations, including any opinions or other advice the Company received from Tax Counsel, the Auditor, or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement). If the Key Employee objects to the Company's calculations, the Company shall pay to the Key Employee such portion of the Total Payments (up to 100% thereof) as the Key Employee determines is necessary to result in the proper application of this Section 3.10. All determinations required by this Section 3.10 (or requested by either the Key Employee or the Company in connection with this Section 3.10) shall be at the expense of the Company.

3.11 Intentionally Omitted.

3.12 Payments Subject to Section 409A of the Code.

(a) Notwithstanding the foregoing provisions of this ARTICLE III, to the extent required by Section 409A of the Code and applicable guidance thereunder, payments that the Key Employee would otherwise be entitled to receive hereunder during the first six months following the date of the Key Employee's termination of employment will be accumulated and paid on the date that is six months and one day after the date of the Key Employee's termination of employment (or if such payment date does not fall on a business day of the Company, the next following business day of the Company), or such earlier date upon which such amount can be paid without adverse tax consequences to the Key Employee under Section 409A of the Code; provided, however, that no such delay shall apply with respect to payments to which the Key Employee is entitled in the event of the Key Employee's death.

(b) Any reimbursement of expenses or in-kind benefits provided under this Agreement, that is subject to and not exempt from Section 409A of the Code, shall be subject to the following additional rules: (i) any reimbursement of eligible expenses shall be paid as they are incurred (but not prior to the end of the six-month delay period set forth in Section 3.12(a)); provided that the Key Employee first provides documentation thereof in reasonable detail not later than sixty (60) days following the end of the calendar year in which the eligible expenses were incurred; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefits to be provided, during any other calendar year; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(c) For purposes of determining the Key Employee's entitlement to payment of any cash or other remuneration which is deferred compensation under Section 409A of the Code, any provision of this Agreement providing for payment of any such cash or remuneration upon "termination," "termination of employment" or other event which is a termination of an employment relationship with the Company means that such payment is to be made upon a Separation from Service, with the Company and all of its subsidiaries and affiliates, for any reason, including without limitation, quit, discharge and retirement, and the Company and the Key Employee reasonably anticipate that no further services will be performed after such date or that the level of bona fide services performed after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services if the Key Employee has been providing services for less than 36 months).

(d) It is intended that the payments and benefits provided under this Agreement shall either be exempt from application of, or comply with, the requirements of Section 409A of the Code. This Agreement shall be construed, administered, and governed in a manner that affects such intent, and the Company shall not take any action that would be inconsistent with such intent. Without limiting the foregoing, the payments and benefits provided under this Agreement may not be deferred, accelerated, extended, paid out, or modified in a manner that would result in the imposition of an additional tax under Section 409A of the Code. Although the Company shall use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409A of the Code, the tax treatment of the benefits provided under this Agreement is not warranted or guaranteed. The Company shall not be held liable for any taxes, interest, penalties, or other monetary amounts owed by the Key Employee or other taxpayers as a result of this Agreement.

ARTICLE IV
MISCELLANEOUS

4.1 **Governing Law**. This Agreement is governed by and will be construed in accordance with the laws of the State of Illinois, without regard to the conflicts of law principles of such State.

4.2 **Amendment and Waiver**. The provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Company and the Key Employee, and no course of conduct or failure or delay in enforcing the provisions of this Agreement will be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

4.3 **Severability**. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction by reason of applicable law will, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

4.4 **Entire Agreement**. Except as provided in the written benefit plans and programs referenced in Section 2.3(c) and Section 2.3(d), this Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the employment of the Key Employee or the subject matter hereof in any way.

4.5 **Withholding of Taxes and Other Employee Deductions**. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city, and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

4.6 **Legal Fees**. The Company shall reimburse the Key Employee for all reasonable legal fees and expenses incurred by the Key Employee in a dispute regarding the Key Employee's rights under this Agreement, within forty-five (45) days of when such fees and expenses are incurred, but in no event later than the end of the taxable year in which such fees and expenses are incurred, unless a court of competent jurisdiction determines the Key Employee's position in such dispute not to be bona fide.

4.7 **Headings**. The paragraph headings have been inserted for purposes of convenience and will not be used for interpretive purposes.

4.8 **Actions by the Board**. Any and all determinations or other actions required of the Board (or a committee thereof) hereunder that relate specifically to the Key Employee's employment by the Company or the terms and conditions of such employment will be made by the members of the Board or such committee other than the Key Employee (if the Key Employee is a member of the Board or such committee), and the Key Employee will not have any right to vote or decide upon any such matter.

4.9 **Construction**. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

[Signature Page Follows]

INTENDING TO BE BOUND, the parties hereto have executed this Agreement as of the date first set forth above.

COMPANY:

MYR GROUP INC.

By: /s/ LARRY F. ALTENBAUMER
Name: Larry F. Altenbaumer
Title: Chairman Compensation Committee

KEY EMPLOYEE:

/s/ JEFFREY J. WANEKA
Jeffrey J. Waneka

Exhibit 10.28

AGREEMENT

This Agreement (this "Agreement") is made and entered into as of January 30, 2017, by and among MYR Group Inc. (the "Company"), Engine Capital, L.P., Engine Capital Management, LLC, Engine Jet Capital, L.P., Engine Airflow Capital, L.P., Engine Investments, LLC, Engine Investments II, LLC and Bradley Favreau (collectively, "Engine" and each an "Engine Member"). The Company and each Engine Member is a "Party" to this Agreement, and collectively they are the "Parties".

RECITALS

WHEREAS, the Company and certain of the Engine Members are party to an Agreement, dated as of March 22, 2016 (the "Prior Agreement");

WHEREAS, the Parties desire to terminate the Prior Agreement; and

WHEREAS, the Company and Engine have determined to come to an agreement with respect to certain matters related to the 2017 Annual Meeting and certain other matters, as provided in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

1. Board Matters; 2017 Annual Meeting.

(a) The Company agrees that, as promptly as practicable following the execution of this Agreement, the Board and all applicable committees of the Board will take all action necessary to nominate Mr. Favreau for election to the Board as a Class III director as part of the Company's slate of director nominees for the 2017 Annual Meeting of stockholders of the Company (the "2017 Annual Meeting").

(b) Engine acknowledges that immediately following the 2017 Annual Meeting, the Board and all applicable committees of the Board intend to reduce the size of the Board from eleven (11) directors to ten (10) directors.

(c) The Company agrees that it will recommend, support and solicit proxies for the election of Mr. Favreau at the 2017 Annual Meeting in the same manner as for the Company's other nominees standing for election to the Board at the 2017 Annual Meeting.

(d) Upon the execution of this Agreement, Engine hereby agrees not to (i) nominate any person for election at the 2017 Annual Meeting, (ii) submit any proposal for consideration at, or bring any other business before, the 2017 Annual Meeting, directly or indirectly, or (iii) initiate, encourage or participate in any "withhold" or similar campaign with respect to the 2017 Annual Meeting, directly or indirectly, and will not permit any of its Affiliates or Associates to do any of the items in this Section 1(d). Engine will not publicly or privately encourage or support any other stockholder to take any of the actions described in this Section 1(d).

(e) At the 2017 Annual Meeting, Engine agrees to appear in person or by proxy and vote all shares of Common Stock beneficially owned by it (i) in favor of the election of each of the Company's nominees for election to the Board (ratably with respect to all nominees), (ii) in accordance with the Board's recommendation with respect to the Company's "say-on-pay" proposal and (iii) to ratify the appointment of the independent registered public accounting firm designated by the Board as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2017.

(f) Engine agrees that it will cause each of its Affiliates and Associates to comply with the terms of this Agreement. As used in this Agreement, the terms "Affiliate" and "Associate" will have the respective meanings set forth in Rule 12b-2 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or the rules or regulations promulgated thereunder (the "Exchange Act") and will include all persons or entities that at any time during the term of this Agreement become Affiliates or Associates of any person or entity referred to in this Agreement.

2. Standstill Provisions.

(a) Engine agrees that, from the date of this Agreement until the conclusion of the 2017 Annual Meeting (the "Standstill Period"), neither it nor any of its Affiliates or Associates under its control or direction will, and it will cause each of its Affiliates and Associates under its control not to, directly or indirectly, in any manner:

(i) engage in any solicitation of proxies or consents or become a "participant" in a "solicitation" as such terms are defined in Regulation 14A under the Exchange Act of proxies or consents (including, without limitation, any solicitation of consents that seeks to call a special meeting of stockholders), in each case, with respect to securities of the Company;

(ii) form, join or in any way participate in any "group" (within the meaning of Section 13(d)(3) of the Exchange Act) with respect to the Common Stock (other than a "group" that includes all or some of the Engine Members, but does not include any other entities or persons not identified as Engine Members as of the date hereof); provided, however, that nothing herein will limit the ability of an Affiliate or Associate of Engine to join its respective "group" following the execution of this Agreement, so long as any such Affiliate or Associate agrees to be bound by the terms and conditions of this Agreement;

(iii) deposit any Common Stock in any voting trust or subject any Common Stock to any arrangement or agreement with respect to the voting of any Common Stock, other than any such voting trust, arrangement or agreement solely among the Engine Members and otherwise in accordance with this Agreement;

(iv) seek or encourage any person to submit nominations in furtherance of a "contested solicitation" for the election or removal of directors with respect to the Company or seek, encourage or take any other action with respect to the election or removal of any directors;

(v) (A) make any proposal for consideration by stockholders at any annual or special meeting of stockholders of the Company, (B) make any offer or proposal (with or without conditions) with respect to a merger, acquisition, recapitalization, restructuring, disposition or other business combination involving the Company, or encourage, initiate or support any other third party in any such related activity or (C) make any public communication in opposition to any Company acquisition or disposition activity approved by the Board;

(vi) vote for any director or directors for election to the Board other than those nominated or supported by the Board;

(vii) except in accordance with Section 1, seek to advise, encourage, support or influence any person with respect to the voting or disposition of any securities of the Company at any annual or special meeting of stockholders (other than such encouragement, support or influence that is consistent with the Company's management or the Board's recommendation in connection with such matter);

(viii) seek to call, or to request the call of, a special meeting of the Company's stockholders, or make a request for a list of the Company's stockholders or for any books and records of the Company; provided, however, any Engine Appointee shall have the right to request stocklist materials or other books and records of the Company in his or her capacity as a director of the Company;

(ix) acquire, announce an intention to acquire, offer or propose to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, beneficial ownership of any Common Stock of the Company representing in the aggregate (among Engine and its Affiliates and Associates) in excess of 9.9% of the Company's then outstanding Common Stock (other than securities issued or purchased by the Company pursuant to a stock split, stock dividend, stock repurchase or similar corporate action initiated by the Company with respect to any Common Stock beneficially owned by Engine Capital on the date of this Agreement);

(x) other than through open market broker sale transactions where the identity of the purchaser is unknown, sell, offer or agree to sell, directly or indirectly, through swap or hedging transactions or otherwise, any security of the Company or any right decoupled from such underlying security held by Engine to any third party that would to Engine's knowledge result in such third party, together with its Affiliates, owning, controlling or otherwise having any beneficial or other ownership interest of any third party who, together with its Affiliates, has a beneficial or other ownership interest in the aggregate of 5% or more of the shares of Common Stock outstanding at such time, except in each case either (A) in a transaction approved by the Board or (B) to a third party who is entitled, and following such transaction continues to be entitled, to file statements on Schedule 13G pursuant to Rule 13d-1(b) or Rule 13d-1(c) promulgated under the Exchange Act; or

(xi) make any request or submit any proposal to amend the terms of this Agreement other than through non-public communications with the Company that would not be reasonably determined to trigger public disclosure obligations for any Party.

(b) Except as expressly provided in Section 1 or Section 2(a), each Engine Member will be entitled to:

(i) vote its shares on any other proposal duly brought before the 2017 Annual Meeting, or otherwise vote as each Engine Member determines in its sole discretion provided that all Engine Members vote their shares in the same manner; or

(ii) disclose, publicly or otherwise, how it intends to vote or act with respect to any securities of the Company, any stockholder proposal or other matter to be voted on by the stockholders of the Company and the reasons therefore; provided that, as applicable, all such activity is in compliance with the requirements of this Agreement and that such disclosure is made in a consistent manner and includes all Engine Members.

(c) Nothing in this Section 2 shall be deemed to limit the exercise in good faith by an Engine Appointee of his or her fiduciary duties solely in his or her capacity as a director of the Company.

3. Board Policies and Procedures. Each Engine Appointee understands and acknowledges that all members of the Board, including the Engine Appointees, are required to comply with all policies, procedures, processes, codes, rules, standards and guidelines applicable to Board members, including the Company's code of business conduct and ethics, securities trading policies, director confidentiality policies, and corporate governance guidelines, and agrees to preserve the confidentiality of Company business and information, including discussions of matters considered in meetings of the Board or Board committees. Each Engine Appointee and Engine shall provide the Company with such information concerning such Engine Appointee or Engine, as the case may be, as is required to be disclosed under applicable law or stock exchange regulations, in each case as promptly as practicable following the Company's written request therefor.

4. Representations and Warranties of the Company. The Company represents and warrants to Engine that (a) the Company has the corporate power and authority to execute this Agreement and to bind it thereto, (b) this Agreement has been duly and validly authorized, executed and delivered by the Company, constitutes a valid and binding obligation and agreement of the Company, and is enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws generally affecting the rights of creditors and subject to general equity principles and (c) the execution, delivery and performance of this Agreement by the Company does not and will not (i) violate or conflict with any law, rule, regulation, order, judgment or decree applicable to the Company, or (ii) result in any breach or violation of or constitute a default (or an event which, with notice or lapse of time or both, could constitute such a breach, violation or default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document, agreement, contract, commitment, understanding or arrangement to which the Company is a party or by which it is bound.

5. Representations and Warranties of Engine. Engine represents and warrants to the Company that (i) the authorized signatory of each Engine Member set forth on the signature page hereto has the power and authority to execute this Agreement and any other documents or agreements to be entered into in connection with this Agreement and to bind it thereto, (ii) this Agreement has been duly authorized, executed and delivered by each Engine Member, and is a valid and binding obligation of such Engine Member, enforceable against such Engine Member in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws generally affecting the rights of creditors and subject to general equity principles, (iii) to the extent that any Engine Member is a legal entity, the execution of this Agreement, the consummation of any of the transactions contemplated hereby, and the fulfillment of the terms hereof, in each case in accordance with the terms hereof, will not conflict with, or result in a breach or violation of the organizational documents of such Engine Member as currently in effect, and (iv) the execution, delivery and performance of this Agreement by each Engine Member does not and will not (A) violate or conflict with any law, rule, regulation, order, judgment or decree applicable to such Engine Member, (B) violate or conflict with any agreement, arrangement or understanding among the Engine Members, or (C) result in any breach or violation of or constitute a default (or an event which, with notice or lapse of time or both, could constitute such a breach, violation or default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document, agreement, contract, commitment, understanding or arrangement to which such Engine Member is a party or by which it is bound.

6. Mutual Non-Disparagement. Subject to applicable law, each of the Parties covenants and agrees that, during the Standstill Period or, if earlier, until such time as the other Party or any of its agents, subsidiaries, affiliates, successors, assigns, officers, key employees or directors shall have breached this Section, neither it nor any of its respective agents, subsidiaries, affiliates, successors, assigns, officers, key employees or directors, will in any way publicly disparage, call into disrepute, defame, slander or otherwise criticize the other Parties or such other Parties' subsidiaries, affiliates, successors, assigns, officers (including any current officer of a Party or a Parties' subsidiaries who no longer serves in such capacity following the execution of this Agreement), directors (including any current director of a Party or a Parties' subsidiaries who no longer serves in such capacity following the execution of this Agreement), employees, shareholders, agents, attorneys or representatives, or any of their products or services, in any manner that would damage the business or reputation of such other Parties, their products or services or their subsidiaries, affiliates, successors, assigns, officers (or former officers), directors (or former directors), employees, shareholders, agents, attorneys or representatives.

7. Termination. Upon the expiration of the Standstill Period, this Agreement will immediately and automatically terminate and no Party shall have any further right or obligation under this Agreement. Upon execution of this Agreement, the Prior Agreement will immediately and automatically terminate and no party thereto shall have any further right or obligation under the Prior Agreement.

8. Specific Performance. Each of the Parties acknowledge and agree that irreparable injury to the other Party would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that such injury would not be adequately compensable by the remedies available at law (including the payment of money damages). It is accordingly agreed that Engine, on the one hand, and the Company, on the other hand (the "Moving Party"), will each be entitled to specific enforcement of, and injunctive relief to prevent any violation of, the terms hereof, and the other Party will not take action, directly or indirectly, in opposition to the Moving Party seeking such relief on the grounds that any other remedy or relief is available at law or in equity. This Section 8 is not the exclusive remedy for any violation of this Agreement.

9. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement will remain in full force and effect and will in no way be affected, impaired or invalidated. It is hereby stipulated and declared to be the intention of the Parties that the Parties would have executed the remaining terms, provisions, covenants and restrictions without including any of such which may be hereafter declared invalid, void or unenforceable. In addition, the Parties agree to use their best efforts to agree upon and substitute a valid and enforceable term, provision, covenant or restriction for any of such that is held invalid, void or enforceable by a court of competent jurisdiction.

10. Notices. Any notices, consents, determinations, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one business day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications are as follows:

If to the Company:

MYR Group Inc.
1701 Golf Road, Suite 3-1012
Rolling Meadows, Illinois 60008
Attention: Gerald B. Engen, Jr.
Telephone: (847) 290-1891
Facsimile: (847) 290-1892

with a copy (which will not constitute notice) to:

Jones Day
901 Lakeside Avenue
Cleveland, Ohio 44114-1190
Attention: James P. Dougherty
Telephone: (216) 586-7302
Facsimile: (216) 579-0212

If to Engine or any Engine Member:

Engine Capital, L.P.
1370 Broadway, 5th Floor
New York, New York 10018
Attention: Arnaud Ajdler
Telephone: (212) 321-0048
Facsimile: (646) 380-1220

with a copy (which will not constitute notice) to:

Olshan Frome Wolosky LLP
Park Avenue Tower
65 East 55th Street
New York, New York 10022
Attention: Andrew M. Freedman
Telephone: (212) 451-2250
Facsimile: (212) 451-2222

11. Applicable Law. This Agreement will be governed by and construed and enforced in accordance with the laws of the State of Delaware without reference to the conflict of laws principles thereof. Each of the Parties irrevocably agrees that any legal action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other Party or its successors or assigns, will be brought and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware). Each of the Parties hereby irrevocably submits, with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any action relating to this Agreement in any court other than the aforesaid courts. Each of the Parties hereby irrevocably waives, and agrees not to assert in any action or proceeding with respect to this Agreement, (i) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason, (ii) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) to the fullest extent permitted by applicable legal requirements, any claim that (A) the suit, action or proceeding in such court is brought in an inconvenient forum, (B) the venue of such suit, action or proceeding is improper or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

12. Entire Agreement; Amendment and Waiver; Successors and Assigns; Third Party Beneficiaries. This Agreement contains the entire understanding of the Parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings between the Parties other than those expressly set forth herein. No modifications of this Agreement can be made except in writing signed by an authorized representative of each of the Company and Engine, except that the signature of an authorized representative of the Company will not be required to permit an Affiliate of Engine to agree to be an Engine Member and be bound by the terms and conditions of this Agreement. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder will operate as a waiver thereof, nor will any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law. The terms and conditions of this Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors, heirs, executors, legal representatives and permitted assigns. No Party will assign this Agreement or any rights or obligations hereunder without, with respect to any Engine Member, the prior written consent of the Company, and with respect to the Company, the prior written consent of Engine. This Agreement is solely for the benefit of the Parties and is not enforceable by any other persons.

13. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be considered one and the same agreement and will become effective when counterparts have been signed by each of the Parties and delivered to the other Party (including by means of electronic delivery or facsimile).

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized signatories of the Parties as of the date hereof.

THE COMPANY:

MYR GROUP INC.

By: /s/ WILLIAM A. KOERTNER
Name: William A. Koertner
Title: Executive Chairman of the Board of Directors

ENGINE:

ENGINE CAPITAL MANAGEMENT, LLC

By: /s/ ARNAUD AJDLER
Name: Arnaud Ajdler
Title: Managing Member

ENGINE CAPITAL, L.P.

By: Engine Investments, LLC,
General Partner

By: /s/ ARNAUD AJDLER
Name: Arnaud Ajdler
Title: Managing Member

ENGINE JET CAPITAL, L.P.

By: Engine Investments, LLC,
General Partner

By: /s/ ARNAUD AJDLER
Name: Arnaud Ajdler
Title: Managing Member

ENGINE AIRFLOW CAPITAL, L.P.

By: Engine Investments, LLC,
General Partner

By: /s/ ARNAUD AJDLER
Name: Arnaud Ajdler
Title: Managing Member

ENGINE INVESTMENTS, LLC

By: /s/ ARNAUD AJDLER
Name: Arnaud Ajdler
Title: Managing Member

ENGINE INVESTMENTS II, LLC

By: /s/ ARNAUD AJDLER
Name: Arnaud Ajdler
Title: Managing Member

/s/ BRADLEY FAVREAU
BRADLEY FAVREAU

Exhibit 21.1

Subsidiaries of the Registrant

Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of certain subsidiaries of the Company have been omitted because such unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of December 31, 2016.

	Subsidiary	**Jurisdiction of Incorporation**
1.	Great Southwestern Construction, Inc.	Colorado, U.S.
2.	The L. E. Myers Co.	Delaware, U.S.
3.	MYR Transmission Services, Inc.	Delaware, U.S.
4.	Harlan Electric Company	Michigan, U.S.
5.	Sturgeon Electric Company, Inc.	Michigan, U.S.
6.	MYR Equipment, LLC	Delaware, U.S.
7.	MYR Real Estate Holdings, LLC	Delaware, U.S.
8.	MYR Group Construction Canada, Ltd.	British Columbia, Canada
9.	MYR Transmission Services Canada, Ltd.	British Columbia, Canada
10.	Northern Transmission Services, Ltd.	British Columbia, Canada
11.	E.S. Boulos Company	Delaware, U.S.
12.	High Country Line Construction, Inc.	Nevada, U.S
13.	GSW Integrated Services, LLC	Delaware, U.S.
14.	MYR Real Estate Holdings Alaska, LLC	Delaware, U.S.
15.	Sturgeon Electric California, LLC	Delaware, U.S.
16.	Western Pacific Enterprises Ltd.	British Columbia, Canada

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 333-156501, No. 333-174152, and No. 333-196110) pertaining to the 2006 Stock Option Plan and the 2007 Long-Term Incentive Plan (Amended and Restated as of May 1, 2014) of MYR Group Inc. of our reports dated March 9, 2017, with respect to the consolidated financial statements of MYR Group Inc., and the effectiveness of internal control over financial reporting of MYR Group Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2016.

/s/ Ernst & Young LLP

Chicago, Illinois
March 9, 2017

Exhibit 24.1

POWER OF ATTORNEY RESOLUTION
SIGNATURE AUTHORITY 2016 FORM 10-K

WHEREAS, MYR Group Inc., a Delaware corporation (the "Company"), is required to file with the Securities and Exchange Commission pursuant to Section 13 or 15(d) under the provisions of the Securities Act of 1934 a Form 10-K for the fiscal year ended December 31, 2016; and

WHEREAS, each of the undersigned holds the office or offices in the Company herein below set opposite his or her name.

NOW, THEREFORE, each of the undersigned hereby constitutes and appoints Richard S. Swartz, Jr., Betty R. Johnson, and Gerald B. Engen Jr., and each of them individually, his or her true and lawful attorney, with full power to act for him or her and in his or her name, place and stead, to sign his or her name in the capacity or capacities set forth below and generally to do all such things in his or her name and in his or her capacity as an officer to enable the Company to comply with the provisions of the Securities Act of 1934 and all requirements of the Securities and Exchange Commission in connection with the filing of the Form 10-K and any and all amendments thereof with the Securities and Exchange Commission and hereby ratifies and confirms all that said attorney may or shall lawfully do or cause to be done by virtue hereof.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 23rd day of February, 2017.

/s/ RICHARD S. SWARTZ, JR. Richard S. Swartz, Jr.	President and Chief Executive Officer (Principal Executive Officer)
/s/ BETTY R. JOHNSON Betty R. Johnson	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)
/s/ WILLIAM A. KOERTNER William A. Koertner	Director (Chairman)
/s/ JACK L. ALEXANDER Jack L. Alexander	Director
/s/ LARRY F. ALTENBAUMER Larry F. Altenbaumer	Director
/s/ BRADLEY T. FAVREAU Bradley T. Favreau	Director
/s/ HENRY W. FAYNE Henry W. Fayne	Director
/s/ KENNETH M. HARTWICK Kenneth M. Hartwick	Director
/s/ DONALD C. I. LUCKY Donald C. I. Lucky	Director
/s/ GARY R. JOHNSON Gary R. Johnson	Director
/s/ MAURICE E. MOORE Maurice E. Moore	Director
/s/ WILLIAM D. PATTERSON William D. Patterson	Director

Exhibit 31.1

CERTIFICATIONS

Certification of Principal Executive Officer

I, Richard S. Swartz, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of MYR Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the Financial Statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

March 9, 2017	/s/ RICHARD S. SWARTZ, JR. (Principal Executive Officer) Chief Executive Officer and President

Exhibit 31.2

CERTIFICATIONS

Certification of Principal Financial Officer

I, Betty R. Johnson, certify that:

1. I have reviewed this annual report on Form 10-K of MYR Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the Financial Statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 9, 2017

/s/ BETTY R. JOHNSON
(Principal Financial Officer)
Senior Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER,
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard S. Swartz, Jr., Chief Executive Officer and President of MYR Group Inc. (the “Company”), certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1) The Annual Report on Form 10-K for the year ended December 31, 2016 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 9, 2017	/s/ RICHARD S. SWARTZ, JR.
	Chief Executive Officer and President

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Betty R. Johnson, Senior Vice President, Chief Financial Officer and Treasurer of MYR Group, Inc.(the “Company”), certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1) The Annual Report on Form 10-K for the year ended December 31, 2016 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 9, 2017

/s/ BETTY R. JOHNSON
Senior Vice President, Chief Financial Officer and Treasurer