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CASELLA WASTE SYSTEMS INC
Form SC 13G
February 11, 2008

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

SCHEDULE 13G

(Amendment No.)

Under the Securities Exchange Act of 1934

Casella Waste Systems

NAME OF ISSUER:

Common Stock

TITLE OF CLASS OF SECURITIES

147448104

CUSIP NUMBER

December 31, 2007

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this
Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

1. NAME OF REPORTING PERSONS
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

Buckhead Capital Management, LLC 58-2552872

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(A) (B)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Georgia

NUMBER OF	5.	SOLE VOTING POWER
SHARES		3,004,969
BENEFICIALLY	6.	SHARED VOTING POWER
OWNED BY		0

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EACH	7.	SOLE DISPOSITIVE POWER
REPORTING		3,004,969
PERSON WITH	8.	SHARED DISPOSITIVE POWER
		0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,004,969

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES

[]

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

11.9%

12. TYPE OF REPORTING PERSON

IA

Item 1(a). Name of Issuer:

Casella Waste Systems (the "Issuer")

Item 1(b). Address of Issuer's Principal Executive Offices:

25 Greens Hill Lane
Rutland, VT 05701

Item 2(a). Name of Person Filing:

This statement is filed on behalf of
Buckhead Capital Management, LLC, ("Reporting Person").

Item 2(b). Address of Principal Business Office or, if none, Residence:

3330 Cumberland Blvd
Suite 650
Atlanta, GA 30339

Item 2(c). Citizenship:

The citizenship of the Reporting Person is set forth on the
cover page.

Item 2(d). Title of Class of Securities:

The title of the securities is common stock, ("Common Stock").

Item 2(e). CUSIP Number:

The CUSIP number of the Common Stock is set forth on the cover page.

Item 3. If this statement is filed pursuant to Rules 13d-1(b), or 13d-2(b)
or (c), check whether the person filing is a:

(a) [] Broker or dealer registered under section 15 of the Act;

(b) [] Bank as defined in section 3(a)(6) of the Act;

(c) [] Insurance Company as defined in section 3(a)(19)

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of the Act;

- (d) Investment Company registered under section 8 of the Investment Company Act of 1940;
- (e) An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);

Buckhead Capital Management, LLC.
- (f) An employee benefit plan, or endowment fund in accordance with Rule 13d-1 (b)(1)(ii)(F);
- (g) Parent holding company or control person in accordance with Rule 13d-1 (b)(1)(ii)(G);
- (h) A savings association as defined in section 3(b) of the Federal Deposit Insurance Act;
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940;
- (j) Group, in accordance with Rule 13d-1 (b)(1)(ii)(J).

Item 4. Ownership.

- (a) Amount beneficially owned:

The Reporting Person owns the amount of the Common Stock as set forth on the cover page.

- (b) Percent of class:

The Reporting Person owns the percentage of the Common Stock as set forth on the cover page.

- (c) Number of shares as to which such person has:

- (i) sole power to vote or to direct the vote:

The Reporting Person has the sole power to vote or direct the vote of the Common Stock as set forth on the cover page.

- (ii) shared power to vote or to direct the vote:

The Reporting Person has the shared power to vote or direct the vote of the Common Stock as set forth on the cover page.

- (iii) sole power to dispose or to direct the disposition of:

The Reporting Person has the sole power to dispose or direct the disposition of the Common Stock as set forth on the cover page.

- (iv) shared power to dispose or to direct the disposition of:

The Reporting Person has the shared power to dispose or direct the disposition of the Common Stock as set

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forth on the cover page.

- Item 5. Ownership of Five Percent or Less of a Class.
Not applicable.
- Item 6. Ownership of More than Five Percent on Behalf of Another Person.
Not applicable.
- Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.
Not applicable.
- Item 8. Identification and Classification of Members of the Group.
Not applicable.
- Item 9. Notice of Dissolution of Group.
Not applicable.
- Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: 01/29/08

Buckhead Capital Management, LLC

By: /s/ Howard P. Janis
Name: Howard P. Janis
Title: CCO

(in thousands, except for share and per share data)

Consolidated Statements of Operations Data:

Contract revenues

\$

382,627

\$

135,196

\$

642,567

\$

865,527

\$

180,630

\$

217,240

Cost of revenues

339,480

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112,586

540,789

761,215

160,366

188,044

Gross profit

43,147

22,610

101,778

104,312

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20,264

29,196

Selling, general and administrative expenses

41,407

14,144

63,915

75,320

16,508

23,071

Merger related costs(1)

16,242

(228

)

218

76

Provision (recoveries) for uncollectible accounts

236

178

(299

)

156

80

(10

)

Amortization of intangible assets

2,600

12,350

4,911

1,612

257

Income (loss) from operations

(14,738

)

5,688

26,040

23,707

1,988

5,878

Interest income

1,376

60

572

426

194

236

Interest expense and amortization of debt discount

(27

)

(3,966

)

(10,178

)

(8,157

)

(1,456

)

(2,111

)

Loss on early extinguishment of debt

(4,444

)

Other income (expense)

(3,053

)

(88

)

2,366

6,663

4,380

128

Income (loss) before income taxes, discontinued operations and extraordinary item

(16,442

)

1,694

14,356

22,639

5,106

4,131

Income tax expense (benefit)

(5,240

)

716

5,856

9,709

2,042

1,665

Income (loss) from continuing operations(2)

(11,202

)

978

8,500

12,930

3,064

2,466

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Income (loss) from discontinued operations, net of tax

(12,316

)

281

480

(1,033

)

(322

)

Gain on disposition of discontinued operation, net of tax

596

1,832

Income (loss) before extraordinary item(2)

(23,518

)

1,259

9,576

13,729

2,742

2,466

Extraordinary item, net of tax

76

Net income (loss)(2)

\$

(23,518

)

\$

1,335

\$

9,576

\$

13,729

\$

2,742

\$

2,466

Basic Income (loss) per common share:

Weighted average basic common shares outstanding

47,585

10,782

35,172

39,129

38,981

39,515

Basic income (loss) per share continuing operations

\$

(0.24

)

\$

0.09

\$

0.24

\$

0.33

\$

0.08

\$

0.06

Basic income (loss) per share discontinued
operations

(0.26

)

0.02

0.01

(0.03

)

(0.01

)

Basic income per share gain on disposition of discontinued operation

0.02

0.05

Basic income per share extraordinary item

0.01

\$

(0.50

)

\$

0.12

\$

0.27

\$

0.35

\$

0.07

\$

0.06

Diluted Income (loss) per common share:

Weighted average diluted common shares outstanding

47,585

11,031

36,139

39,943

39,794

40,116

Diluted income (loss) per share continuing operations

\$

(0.24

)

\$

0.09

\$

0.23

\$

0.32

\$

0.08

\$

0.06

Diluted income (loss) per share discontinued
operations

(0.26

)

0.02

0.01

(0.03

)

(0.01

)

Diluted income per share gain on disposition of discontinued operation

0.02

0.05

Diluted income per share extraordinary item

0.01

\$

(0.50

)

\$

0.12

\$

0.26

\$

0.34

\$

0.07

\$

0.06

9

	For the Period January 1, to September 23, 2003 (Predecessor entity InfraSource Incorporated and Subsidiaries)	For the Period May 30 to December 31, 2003	For the Year Ended December 31, 2004 2005		For the Three Months Ended March 31, 2005 2006 (unaudited)	
	(in thousands)					
Other financial data						
Net cash provided by (used in):						
Operating activities from continuing operations	\$ 17,752	\$ (2,452)	\$ 20,374	\$ 19,406	\$ (16,429)	\$ (436)
Investing activities from continuing operations	(12,459)	(210,366)	(56,277)	(16,453)	(2,233)	(12,847)
Financing activities from continuing operations	(10,188)	224,831	45,112	111	6,039	888
Depreciation and amortization	20,917	7,902	37,179	32,572	8,405	7,168
Capital expenditures, net of disposals	(12,459)	(2,500)	(21,676)	(25,145)	(7,195)	(9,371)
EBITA as adjusted (a non-GAAP financial measure)(2)(3)	7,106	11,985	43,185	32,207	4,195	7,870
EBITDA as adjusted (a non-GAAP financial measure)(2)(3)	28,023	17,287	68,014	59,868	10,988	14,781

**As of
March 31, 2006
(unaudited)
(in thousands)**

Consolidated Balance Sheet Data:

Cash and cash equivalents	\$ 11,891
Working capital	120,410
Total assets	560,028
Total debt	83,685
Total shareholders' equity	306,930

(1) Represents fees and expenses related to the Merger, including severance and retention costs and professional service fees.

(2) For the year ended December 31, 2005, amounts include a \$10.1 million loss, after giving effect to assumed claims collections, relating to one of our underground utility construction projects.

(3) We believe investors' understanding of our operating performance is enhanced by disclosing the following non-GAAP financial measures:

- EBITA from continuing operations before extraordinary items, net (EBITA from continuing operations), which we define as net income before discontinued operations, income tax expense, interest expense, interest income and amortization;
- EBITA from continuing operations, as adjusted (EBITA as adjusted), which we define as EBITA from continuing operations, adjusted for certain significant items that, in management's opinion, are not indicative of our core operating performance;
- EBITDA from continuing operations before extraordinary items, net (EBITDA from continuing operations), which we define as EBITA from continuing operations before depreciation; and

- EBITDA from continuing operations, as adjusted (EBITDA as adjusted), which we define as EBITA, as adjusted before depreciation.

The significant non-core items for the periods shown and the reasons we adjust for them are discussed in more detail in the table and associated footnotes below. We believe it is helpful to an understanding of our business to assess the effects of these items on our results of operations in order to evaluate our

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performance from period to period on a more consistent basis. This presentation should not be construed as an indication that similar charges will not recur or that our future results will be unaffected by other charges and gains we consider to be outside the ordinary course of our business.

A reconciliation of EBITA from continuing operations, EBITA as adjusted, EBITDA from continuing operations and EBITDA as adjusted to net income (loss), the most directly comparable GAAP performance measure, is provided below:

	For the Period January 1 to September 23, 2003 (Predecessor entity InfraSource Incorporated and Subsidiaries)	For the Period May 30 to December 31, 2003	For the Year Ended December 31, 2004	2005	For the Three Months Ended March 31, 2005 (unaudited)	2006
	(in thousands)					
Net income (loss) (GAAP)	\$ (23,518)	\$ 1,335	\$ 9,576	\$ 13,729	\$ 2,742	\$ 2,466
Extraordinary item, net of tax		(76)				
(Gain) on disposition of discontinued operations, net of tax			(596)	(1,832)		
Loss (income) from discontinued operations, net of tax	12,316	(281)	(480)	1,033	322	
Income tax expense (benefit)	(5,240)	716	5,856	9,709	2,042	1,665
Interest expense and amortization of debt discount	27	3,966	10,178	8,157	1,456	2,111
Interest income	(1,376)	(60)	(572)	(426)	(194)	(236)
Amortization of intangible assets		2,600	12,350	4,911	1,612	257
EBITA from continuing operations (a non-GAAP financial measure)(a)	(17,791)	8,200	36,312	35,281	7,980	6,263
Insurance reserve adjustment(b)	8,655					
Merger related expenses(c)	16,242					
Litigation judgment and related costs(d)		3,785		(3,785)	(3,785)	
IPO and secondary related expenses(e)			2,429			737
Loss on early extinguishment of debt(f)			4,444			
Stock compensation expenses(g)				711		870
EBITA as adjusted (a non-GAAP financial measure)(a)	\$ 7,106	\$ 11,985	\$ 43,185	\$ 32,207	\$ 4,195	\$ 7,870
Depreciation	20,917	5,302	24,829	27,661	6,793	6,911
EBITDA from continuing operations (a non-GAAP financial measure)(a)	3,126	13,502	61,141	62,942	14,773	13,174
EBITDA as adjusted (a non-GAAP financial measure)(a)	\$ 28,023	\$ 17,287	\$ 68,014	\$ 59,868	\$ 10,988	\$ 14,781

(a) We present these non-GAAP financial measures primarily as supplemental performance measures because we believe they facilitate operating performance comparisons from period to period and company to company as they exclude certain items that we believe are not representative of our core operations. In addition, we believe that these measures are used by financial analysts as measures of our financial performance and that of other companies in our industry. Because EBITA from continuing operations, EBITDA from continuing operations, EBITA as adjusted and EBITDA as adjusted facilitate internal comparisons of our historical financial position and operating performance on a more consistent basis, we also use these measures for business planning and analysis purposes, in measuring our performance relative to that of our competitors and/or in evaluating

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acquisition opportunities. In addition, we use certain of these measures in establishing incentive compensation goals and/or determining compliance with covenants in our senior credit facility. We use EBITA from continuing operations and EBITA as adjusted in addition to our other non-GAAP measures because they include all aspects of our equipment charges, including both operating leases and depreciation from owned equipment. We believe these are important measures for analyzing our performance because they eliminate the variation related to lease versus purchase decisions on capital equipment. Because EBITA from continuing operations, EBITDA from continuing operations, EBITA as adjusted and EBITDA as adjusted have limitations as analytical tools, you should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- these measures do not reflect our cash expenditures for capital purchases or contractual commitments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect cash requirements for such replacements;
- these measures do not reflect the non-cash costs of our stock-based compensation plans, which are an on-going component of our executive compensation program;
- these measures do not reflect changes in, or cash requirements necessary to service interest or principal payments on, our indebtedness;
- EBITA as adjusted and EBITDA as adjusted do not necessarily reflect adjustments for all earnings or charges resulting from matters that we may consider not to be indicative of our core operations; and
- other companies, including companies in our industry, may calculate these measures differently than we do, limiting their usefulness as a comparative measure.

(b) In September 2003, in connection with the Merger and as a result of the separation of our company from Exelon, we had a new actuarial analysis performed to assist us in estimating our self-insurance accruals as a stand-alone entity. As a result of this revised analysis and an increase in data available for loss history, we revised our estimate and increased our insurance reserve by \$8.7 million for losses attributable to periods prior to 2003.

(c) In connection with the Merger, we incurred \$16.2 million of expenses in 2003, including severance and retention costs and professional service fees.

(d) We recognized a \$3.8 million charge for an adverse litigation judgment entered in January 2004 related to a proposed 1999 acquisition. In March 2005, the court reversed the \$3.8 million judgment against us, and we reversed the \$3.8 million charge at that time. In April 2005, the plaintiff filed a petition for review and reversal, which was denied on September 19, 2005.

(e) In 2004, we incurred expenses related to our initial public offering, primarily for audit and legal fees. In 2006, we incurred similar expenses relating to the secondary underwritten public offering that our principal stockholders and other stockholders completed earlier this year. We do not expect to recognize similar expenses relating to this offering because our principal stockholders have agreed to pay, pro rata based on the number of shares sold, the expenses incurred by us in connection with this offering.

(f) Concurrent with the closing of our 2004 initial public offering, we extinguished our \$30.0 million subordinated note to Exelon early and recorded a loss in the amount of \$5.5 million in the second quarter. In the fourth quarter of 2004, we recorded a \$1.1 million reduction to loss on early extinguishment of debt expense for accrued interest that was forgiven pursuant to our arrangement with Exelon.

(g) We are required to amortize compensation expense for restricted stock granted to certain selling parties in the ITS acquisition in connection with a purchase price settlement. The amortization for this restricted stock grant was \$103,000 for the three months ended March 31, 2006 and will continue through 2009. In addition, in 2006, stock based compensation expense was recognized for the first time under SFAS 123R relating to the vesting of stock options and expenses related to our Employee Stock Purchase Plan. These expenses will continue to vary from period to period based on the amount and timing of grants, and management believes it is useful to consider our operating performance before the impact of these non-cash expenses. We intend to continue to adjust for these charges in our future non-GAAP presentations.

RISK FACTORS

Before deciding to invest in our common stock, you should carefully consider each of the following risk factors and all of the other information set forth in this prospectus and incorporated herein by reference. The following risks and the risks described elsewhere in, or incorporated by reference in, this prospectus, including in Item 1A and the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2005 and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006, could materially harm our business, financial condition, future results and cash flow. If that occurs, the trading price of our common stock could decline, and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

Risks Relating to Our Business and Industry

Our ability to obtain new contracts and the timing of the award and performance of any such contracts may result in unpredictable fluctuations in our cash flow and profitability.

A substantial portion of our revenues is derived from project-based work. It is generally very difficult to predict whether and when we will be awarded contracts for significant projects, resulting in unpredictability in our cash flow and profitability. We expect to have a higher percentage of revenues from large-scale projects going forward, further exacerbating the unpredictability of our operating results.

In certain circumstances, customers require us to provide credit enhancements, including surety bonds, letters of credit and, in rare instances, cash collateral, which we may be unable to satisfactorily obtain or provide, placing us at a competitive disadvantage compared to providers with more liquidity. In addition, to the extent such credit enhancements are provided, our liquidity could be significantly reduced, which may negatively impact our ability to secure additional contracts.

Even if we are awarded contracts, we face additional risks that could affect whether, or when, work will begin. For example, some of our contracts are subject to financing and other contingencies that may delay or result in termination of projects. The uncertainty of our contract award timing can also present difficulties in matching workforce size with contract needs. In some cases, we maintain and bear the cost of a ready workforce that is larger than necessary in anticipation of future workforce needs for expected contract awards. If an expected contract award is delayed or not received, we could incur substantial costs without receipt of any corresponding revenues. Delays by our customers in obtaining required approvals for their infrastructure projects may delay their awarding contracts for those projects and, once awarded, the ability to commence construction under those contracts.

Demand for our services is cyclical and vulnerable to downturns in the industries we serve, which may result in extended periods of low demand for our services.

The demand for infrastructure services in the industries we serve has been, and will likely continue to be, cyclical in nature and vulnerable to general downturns in the U.S. economy. A number of other factors, including financial conditions in the industries we serve, could adversely affect our customers and their ability or willingness to fund capital expenditures in the future. For example, we have experienced reductions in our revenues from independent power producers since 2003, which reflect the significant decline in construction activity and new construction awards for power generation projects. The demand for our services to natural gas distribution customers is affected by the level of industrial, commercial and residential construction in the geographic areas we serve. For example, the recent downturn in new housing construction in certain regions has had a negative impact on demand from some of our natural gas distribution customers. In addition, our petrochemical customers' demand has recently been restrained by the impact of high natural gas prices. We are also dependent on the amount of infrastructure services that our customers outsource. During downturns in the economy, our customers may determine to outsource fewer projects resulting in

decreased demand for our services. In addition, the historical trend toward outsourcing of infrastructure services may not continue as we expect. As a result, demand for our services could decline substantially for extended periods, particularly during economic downturns, which could decrease our revenues, margins, profits and cash flows.

Our participation in fixed-price contracts could result in contract losses, which could reduce our profitability.

We currently generate, and expect to continue to generate, the majority of our revenues under fixed-price contracts. Under fixed-price contracts, we agree to perform the entire project for a fixed price on an agreed upon schedule. We may be unable to recover any cost overruns above the approved contract price. For example, in the past, we have experienced delays and additional costs from severe weather conditions and the required replacement of third-party defective materials, which we were unable to recover. We have recorded a \$10.1 million loss after giving effect to assumed claims collections, on one of our fixed-price underground utility construction projects. The loss resulted from lower than expected productivity, higher materials costs and unforeseen delays. These and other factors, such as increased fuel and labor costs, could adversely affect our profitability on fixed price contracts. The claims resolution process is often lengthy, can require legal action to conclude and the ultimate amount to be collected is difficult to estimate. Our actual revenue and profit for any particular project will usually differ from those we originally estimated and could result in reduced profitability or losses on the project. Depending on the size of a particular project, variations from the estimated contract costs can have a significant impact on our operating results for any fiscal quarter or year. Our acquisition of ITS has resulted in an increase in the proportion of our fixed-price contracts, as most of ITS's business is performed on a fixed-price basis. We expect that industry trends will also increase the proportion of our fixed-price contracts.

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

As more fully discussed in our Annual Report on Form 10-K for the year ended December 31, 2005 and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006 under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Critical Accounting Policies and Estimates" and in the notes to our consolidated financial statements, all of which are incorporated by reference in this prospectus, a significant portion of our revenues are recognized on a percentage-of-completion method of accounting, using primarily the cost-to-cost method. This method is used because management considers expended costs to be the best available measure of progress on our fixed-price contracts. The percentage-of-completion accounting practice we use results in our recognizing contract revenues and earnings 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. Estimated contract losses for the full term of the contract are recognized when determined, regardless of where we are in the contract cycle, and contract profit estimates are adjusted based on ongoing reviews of contract profitability. For example, we recognized a loss of \$8.5 million during the second quarter of 2005 which has increased to \$10.1 million as of March 31, 2006, after giving effect to assumed claims collections, for a project that began in January 2005 and was substantially completed in November 2005. For any estimated contract loss, the actual final loss is generally based on the amount of claims we submit to, and successfully collect from the customer. Therefore, our ultimate loss may exceed our estimates. We record revenue up to costs incurred on claims and unapproved change orders when we believe recovery is probable and the amounts can be reasonably estimated. Profit related to those costs is recorded in the period such amounts are agreed to with the customer. The timing and amount of actual collection of claims and unapproved change orders could differ from estimates, could take longer than anticipated and could result in a reduction or elimination of previously recognized earnings. In certain circumstances, it is possible that such adjustments could be significant. Further, a substantial portion of our contracts contain various cost and performance incentives. Penalties are recorded when known or

finalized, which is generally during the latter stages of the contract. As of March 31, 2006, we had \$3.9 million of unrecovered contract claims booked on our balance sheet under Costs and estimated earnings in excess of billings. Claims settlements less than the \$3.9 million balance would result in a reduction of our profits.

We derive a significant portion of our revenue from a small group of customers. The loss of one or more of these customers could negatively impact our revenues.

Our top ten customers accounted for approximately 46%, 45% and 42% of our revenues for the years ended December 31, 2004 and 2005 and the three months ended March 31, 2006, respectively, which includes work performed for those customers as a subcontractor through others. Revenues from Exelon accounted for 17%, 18% and 17% of our revenues for the years ended December 31, 2004 and 2005 and the three months ended March 31, 2006, respectively. In September 2003, we entered into a volume agreement with Exelon, pursuant to which Exelon committed to provide us with a level of work roughly equivalent to the amount of work which we would have received through 2006 if 2003 work levels remained constant. The actual volume of work received from Exelon under the volume agreement has been significantly higher than 2003 levels; therefore, the volume requirements set forth in the volume agreement were satisfied in the fourth quarter of 2005. We may be unable to sustain our volume of business with Exelon without the benefit of the volume agreement. Exelon has recently indicated its intent to curtail expenditures to a level below that sustained in recent years. Exelon has also begun to modify its contracting practices and may seek alternative commercial arrangements with suppliers like us, including increased use of competitive bidding on certain projects. If we lose significant customers and are not able to replace them, we could sustain decreased revenues, margins and profits.

Our inability to hire or retain key personnel could disrupt our business.

We depend on the continued efforts of our executive officers and other members of our senior management, including management at each of our subsidiaries. We cannot be certain that any individual will continue in such capacity for any particular period of time. Industry-wide competition for managerial talent has increased and the loss of one or more of our key employees could have an adverse effect on our business. The loss of key personnel, or the inability to hire and retain qualified employees, could negatively impact our ability to manage our business. We generally do not carry key-person life insurance on our employees.

Skilled labor shortages and increased labor costs could negatively affect our ability to compete for new projects.

We have from time-to-time experienced shortages of certain types of qualified personnel. For example, there is a shortage of engineers and linemen capable of working on and supervising the construction of high-voltage electric lines and substations. This shortage can be exacerbated during periods of storm restoration work. Linemen are frequently recruited across geographic regions to satisfy demand, including for storm response work. The supply of experienced engineers, linemen and supervisors may not be sufficient to meet current or expected demand. Further, we may not be able to allocate or hire sufficient project managers for new electric power transmission projects. The commencement of new, large-scale infrastructure projects or increased demand for infrastructure improvements as well as the aging utility workforce further depletes the pool of skilled labor available to us, even if we are not awarded such projects. As a result, we are bidding selectively in all of our business units. We have recently declined to bid on certain projects that we could not staff adequately with experienced engineers, and in the future we may not be able to maintain an adequate skilled labor force necessary to operate efficiently or to pursue new projects we consider attractive.

The Energy Act may fail to spur the anticipated increased investment in electric infrastructure, which could slow our growth.

Implementation of the Energy Act is still subject to considerable fiscal and regulatory uncertainty. Many of the regulations implementing the components of the bill have not been finalized and many others have only recently been finalized, and the effect of these regulations is accordingly still uncertain. As a result, the legislation may not increase spending on electric power transmission infrastructure in a manner that will increase demand for our services. In addition, the timing of any new infrastructure investments remains uncertain. Continued uncertainty regarding the implementation and impact of the Energy Act may result in slower growth in demand for our services.

Seasonal and other variations, including severe weather conditions, may cause significant fluctuations in our cash flows and profitability, which may cause the market price of our common stock to fall in certain periods.

A significant portion of our business is performed outdoors, subjecting our results of operations to seasonal variations. Less work is performed by us in the winter months, and work is hindered during other inclement weather events. Our profitability often decreases during the winter months and during severe weather conditions because work performed during these periods is more costly to complete. Our working capital needs are influenced by the seasonality of our business. Generally, we experience a need for additional working capital during the spring when we increase our level of outdoor construction in weather-affected regions of the country, and we convert working capital assets to cash during the winter months. In addition, during periods of peak electricity demand, utilities generally are unable to remove their electric power transmission and distribution equipment from service, decreasing the demand for our maintenance services during these periods. Significant disruptions in our ability to perform services because of these factors could have a material adverse effect on our cash flows and results of operations.

Our backlog may not be realized or may not result in profits. Our customers often have no obligation to assign work to us and many of our contracts may be terminated on short notice.

Our backlog may not be realized as revenue or, if realized, may not result in profits. Backlog is often difficult to determine with certainty. In addition, the backlog we obtain in connection with any companies we acquire may not be as large as we believed or may not result in the revenue we expected. Reductions in backlog due to cancellation by a customer or for other reasons could significantly reduce the revenue and profit we actually receive from contracts included in backlog. In the event of a project cancellation, we may be reimbursed for certain costs but typically have no contractual right to the total revenues reflected in our backlog. In addition, projects may remain in our backlog for extended periods of time. We cannot assure you as to our customers' requirements or our estimates.

Certain of our customers assign work to us under master service agreements, or MSAs. Under these arrangements, our customers generally have no obligation to assign work to us. Most of our contracts, including our MSAs, may be terminated by our customers on short notice, typically 30 to 90 days, sometimes less, or may be negatively impacted by the utilities' inability to recover their costs in the rates they are authorized to charge their customers. Moreover, our reported backlog includes estimated work to be performed under these agreements. Our backlog may not be realized as revenues if these contracts are cancelled. In addition, many of our contracts, including our MSAs, are open to competitive bidding at the expiration of their terms. As a result, we have been displaced on contracts by competitors from time to time. Our revenues could materially decline if our customers do not assign work to us or if they cancel a significant number of contracts and we cannot replace them with similar contracts.

Project delays or cancellations may result in additional costs to us, reductions in revenues or the payment of liquidated damages.

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 these schedules or performance requirements could result in additional costs or penalties, including liquidated damages, and these amounts could exceed expected project profit margins. Many of our projects involve challenging engineering, procurement and construction phases that may occur over extended time periods, sometimes up to two years. We may encounter difficulties in engineering, equipment and material delivery, schedule changes, weather-related delays and other factors, some of which are beyond our control, that impact our ability to complete the project in accordance with the original delivery schedule. For example, the recent increase in demand for transmission services has strained production resources, creating significant lead times for obtaining transmission towers and poles. As a result, our electric transmission project revenues could be significantly reduced or delayed due to the difficulty we or our customers may experience in obtaining required materials. In addition, we occasionally contract with third-party subcontractors to assist us with the completion of contracts. Any delay by suppliers or by subcontractors in the completion of their portion of the project, or any failure by a subcontractor to satisfactorily complete its 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 public opposition against the siting of transmission lines or other facilities, which may include injunctive actions as well as public protests. For example, the construction of the Arrowhead to Weston transmission line project between Minnesota and Wisconsin was delayed for several years due to such factors, and some delays in this project continue to occur.

Delays and additional costs may be substantial and, in some cases, we may be required to compensate the project customer for these delays. We may not be able to recover all of these costs. 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 our relationships with customers, making it more difficult for us to secure new contracts.

In addition, our project contracts may require that our customers or other parties provide us with design or engineering information or with equipment or materials to be used on a project. In some cases, we may be provided with deficient design or engineering information or equipment or provided with information or equipment later than required by the project schedule. Our customers may also determine, after commencement of the project, to change various elements of the project. 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 provide items required to be provided by the customer. A failure to obtain adequate compensation for these matters could require us to record a reduction to amounts of revenue and gross profit that were recognized in prior periods under the percentage-of-completion accounting method. Any such adjustments could be substantial.

Provisions of our credit facility restrict our business operations and may restrict our access to sufficient funding, including letters of credit, to finance desired growth.

We have a credit facility with a group of financial institutions secured by substantially all of our assets. The credit facility contains customary events of default and covenants that limit us from taking certain actions without obtaining the consent of the lenders. In addition, our credit facility requires us to achieve certain financial ratios as described in our Annual Report on Form 10-K for the year ended December 31, 2005 and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006 under Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and

Capital Resources. These restrictions and covenants may limit our ability to respond to changing business and economic conditions and we may be prevented from engaging in transactions that might otherwise be considered beneficial to us, including strategic acquisitions. Covenants in our credit facility also restrict our ability to incur indebtedness, subject to certain exceptions, including domestic intercompany indebtedness, guarantee obligations incurred in the ordinary course of business, up to \$20.0 million of secured indebtedness incurred to acquire fixed or capital assets, indebtedness with respect to performance bonds, letters of credit and similar obligations incurred in the ordinary course of business, and up to \$40.0 million of additional indebtedness. We had \$53.0 million of availability under the revolving credit portion of our credit facility as of March 31, 2006 (after giving effect to \$32.0 million of outstanding letters of credit under the credit facility at that date). In the future, we may require substantial additional working capital to fund our growth. However, there is no assurance that we will be able to expand availability under our credit agreement or obtain other sources of liquidity in a timely manner, at favorable cost or at all.

Our business frequently requires us to post letters of credit, which reduces availability under the revolving credit portion of our credit facility. If we are required to post letters of credit in excess of the \$68.0 million sublimit in effect as of March 31, 2006 under our credit facility, we would be required either to increase this sublimit or cash collateralize the letters of credit. We cannot assure you that we would be able to increase the sublimit under our credit facility or that we would have sufficient cash to obtain the required letters of credit.

A breach of our credit facility, including our inability to comply with the required financial ratios, could result in an event of default. Upon an event of default under our credit facility, the lenders would be entitled to accelerate the repayment of amounts outstanding, plus accrued and unpaid interest. Moreover, the lenders would have the option to terminate any obligation to make further extensions of credit under our credit facility. Upon the event of a default under any of our secured indebtedness, including our credit facility which is secured by substantially all of our assets, the lenders could proceed to foreclose against the assets securing such obligations. In the event of a foreclosure on all or substantially all of our assets, we may not be able to continue to operate as a going concern.

On June 10, 2005, while in the process of evaluating the extent of the loss for an underground utility construction project, we obtained a Second Amendment and Waiver to our credit facility which excluded the effect of the anticipated loss in certain of our representations and warranties and waived any misrepresentation in our financial statements and covenant compliance certificates through July 25, 2005 to the extent resulting therefrom. Based on our further evaluation of the loss, estimated to be \$10.1 million as of March 31, 2006, after giving effect to assumed claims collection, we are currently not required to enter into any further amendment or waiver of our credit facility with respect to such loss.

We are subject to acquisition risks. If we are not successful in integrating companies that we acquire or have acquired, we may not achieve the expected benefits and our profitability could suffer. In addition, the cost of evaluating and pursuing acquisitions may not result in a corresponding benefit.

One of our business strategies is to pursue strategic acquisitions. We completed several acquisitions during 2004 and 2005 and continue to consider strategic acquisitions now and plan to in the future, some of which may be larger than those previously completed and could be material acquisitions. Integrating acquisitions is often costly, and delays or other operational or financial problems may result that interfere with our operations. In addition, our operating subsidiaries have generally maintained their own procedures and operating systems, which make it more difficult for us to evaluate and integrate their systems and controls on a reliable company-wide basis. If we fail to implement proper overall business controls for companies we acquire or fail to successfully integrate these acquired companies in our processes, our financial condition and results of operations could be adversely affected. In addition, it is possible that we may incur significant expenses in the evaluation and pursuit of potential acquisitions and that such acquisitions may not be successfully completed. In these events, we may incur substantial costs

without any corresponding benefit. For example, during 2005 we incurred a \$1.6 million charge related to due diligence costs for an acquisition that we chose not to complete. Other risks inherent in our acquisition strategy include diversion of management's attention and resources, failure to retain key personnel and risks associated with unanticipated events or liabilities. In addition, in accordance with Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets we are required to test goodwill for impairment at least annually, or more frequently if events or circumstances exist which indicate that goodwill may be impaired. As a result of changes in circumstances after valuing assets in connection with acquisitions, we may be required to take writedowns of intangible assets, including goodwill, which could be significant.

We cannot be certain of the future effectiveness of our internal controls over financial reporting or the impact thereof on our operations or the market price of our common stock.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we are required to include in our annual reports on Form 10-K our assessment of the effectiveness of our internal controls over financial reporting. We cannot assure you that our system of internal controls will be effective in the future as our operations and control environment change. If we cannot adequately maintain the effectiveness of our internal controls over financial reporting, our financial reporting may be inaccurate. If reporting errors actually occur, we could be subject to sanctions or investigation by regulatory authorities, such as the SEC. These results could adversely affect our financial results or the market price of our common stock.

We are evaluating the implementation of a company-wide Enterprise Resource Planning system which could disrupt our day-to-day operations temporarily.

We are developing a plan to implement a company-wide information technology system or Enterprise Resource Planning (ERP) system. The ERP system is intended to replace disparate individual information systems at our operating subsidiaries for functions such as accounting and finance, human resources and customer relationships with a common, uniform information system. Development and implementation of an ERP system would require substantial financial and personnel resources. While the ERP system is intended to improve and enhance our information systems, large scale implementation of new information systems across all of our operating companies exposes us to the risks of start up of the new system and integration of that system with our existing systems and processes, including possible disruption of our financial reporting. In addition, if we fail to implement the ERP system or fail to implement the ERP system successfully, we will have to continue to rely on the disparate information systems at our operating subsidiaries.

A significant portion of our business depends on our ability to obtain surety bonds. We may be unable to compete for or work on certain projects if we are not able to obtain the necessary surety bonds.

Surety market conditions are currently difficult as a result of significant losses incurred by many sureties in recent periods, both in the construction industry as well as in certain larger corporate bankruptcies. As a result, less bonding capacity is available in the market and terms have become more expensive and restrictive. We are required to post letters of credit to support our surety bond program. Further, under standard terms in the surety market, sureties issue bonds on a project-by-project basis and can decline to issue bonds at any time. Historically, approximately 10% to 20% of our annual volume of business, including a number of our fixed-price contracts, has required bonds. These percentages may increase depending on our mix of contracts. Current or future market conditions, as well as changes in our surety's assessment of our operating and financial risk, could cause our surety provider to decline to issue, or substantially reduce the amount of, bonds for our work and could increase our bonding costs. These actions can be taken on short notice. If our surety provider were to limit or eliminate our access to bonding, our alternatives include seeking bonding capacity from other sureties, finding more business that does not require bonds and posting other forms of collateral for project performance, such as letters of

credit or cash. We may be unable to provide these alternatives in a timely manner, on acceptable terms or at all. Accordingly, if we were to experience an interruption or reduction in the availability of bonding capacity, we may be unable to compete for or work on certain projects.

Higher fuel prices and material costs may increase our cost of doing business, and we may not be able to pass those added costs to our customers.

Our spending on fuel has increased significantly over the last 12 months. Under our fixed-price contracts, we are limited in our ability to pass these higher fuel costs to our customers. In addition, even if we are able to incorporate the higher cost of fuel and materials into new project contracts, higher overall project costs may depress the market for large-scale infrastructure projects. Therefore, higher fuel and material costs may directly or indirectly negatively impact our financial condition and results of operations.

We are subject to the risks associated with being a government contractor.

We are from time to time a provider of services to government agencies, primarily the DOE's federal power marketing agencies, such as our recently completed contract with the Bonneville Power Administration. Therefore, we are exposed to the risks associated with government contracting. For example, a reduction in spending by government agencies could limit the continued funding of existing contracts with these agencies and could limit our ability to obtain additional contracts, which could result in lower revenues from these customers. The risks of government contracting also include the risk of civil and criminal fines and penalties for violations of applicable regulations and statutes and the risk of public scrutiny of our performance on high profile sites. In addition, our failure to comply with the terms of one or more of our government contracts, other government agreements or government regulations and statutes could result in our being suspended or barred from future government contract projects for a significant period of time.

In addition, government customers typically can terminate or modify their contracts with us at their convenience, and some of these government contracts are subject to renewal or extension annually. If a government customer terminates a contract or fails to renew or extend a contract, our backlog or revenue may be reduced or we may incur a loss, either of which could impair our financial condition and operating results. A termination due to our unsatisfactory performance could expose us to liability and adversely affect our ability to compete for future contracts and orders. In cases where we are a subcontractor, the prime contract could be terminated, regardless of the quality of our services as a subcontractor or our relationship with the relevant government agency. Our government customers can also reduce the value of existing contracts, issue modifications to a contract and control and potentially prohibit the export of our services and associated materials.

Our projects are subject to numerous hazards. If we do not maintain an adequate safety record, we may be ineligible to bid on certain projects, could be terminated from existing projects and could have difficulty procuring adequate insurance.

Hazards experienced as a result of our activities include electrocutions, fires, natural gas explosions, mechanical failure, transportation accidents and damage to equipment we work on. These hazards can cause and have caused personal injury and loss of life, severe damage to or destruction of property and equipment and other consequential damages, including blackouts, and may result in suspension of operations, large damage claims, and, in extreme cases, criminal liability. At any given time, we are subject to multiple workers' compensation and personal injury claims resulting from such hazards or other workplace accidents. We maintain substantial loss accruals for workers' compensation claims. Our insurance does not cover all types or amounts of liabilities. Our third-party insurance is subject to large deductibles for which we establish reserves and, accordingly, we effectively self-insure for much of our exposures. In addition, for a variety of reasons such as increases in claims, a weak economy, projected significant increases in medical costs and wages, lost compensation and reductions in coverage, insurance carriers may be unwilling to provide the current levels of coverage without a significant increase in collateral requirements to cover our

deductible obligations. We may not be able to maintain adequate insurance at reasonable rates or meet collateral requirements. Further, regulatory changes implemented by the Occupational Safety and Health Administration (OSHA) could impose additional costs on us. Our safety record is an important consideration for our customers. If serious accidents or fatalities occur or our safety record were to deteriorate, we may be ineligible to bid on certain projects and could be terminated from existing projects. In addition, our reputation and our prospects for future projects could be negatively affected. The OSHA recordable rate of one of our transmission construction subsidiaries has historically been higher than the industry average. If we cannot improve on this subsidiary's safety record, we may not be able to bid successfully on future projects. As is common in our industry, we regularly have been and will continue to be subject to claims by employees, customers and third parties for property damage and personal injuries.

Our unionized workforce could cause interruptions in our provision of services. In addition, we contribute to multiemployer plans that could result in liabilities to us if these plans are terminated or we withdraw.

A significant percentage of our workforce is covered by collective bargaining agreements. Strikes or work stoppages could occur that would adversely impact our relationships with our customers and our ability to conduct our business.

We contribute to several multiemployer pension plans for employees covered by collective bargaining agreements. These plans are not administered by us, and contributions are determined in accordance with provisions of negotiated labor contracts. The Employee Retirement Income Security Act of 1974, or ERISA, as amended by the Multiemployer Pension Plan Amendments Act of 1980, imposes certain liabilities upon employers who are contributors to a multiemployer plan in the event of the employer's withdrawal from, or upon termination of, such plan. We do not have information on the net assets and actuarial present value of the multiemployer pension plans' unfunded vested benefits allocable to us, if any, or the amounts, if any, for which we may be contingently liable if we were to withdraw from any of these plans.

Changes in, or interpretations of, existing state or federal telecommunications regulations or new regulations could adversely affect us.

Many of our telecommunications customers benefit from the Universal Service E-rate program, which was established by Congress in the 1996 Telecommunications Act and is administered by the Universal Service Administrative Company, or USAC, under the oversight of the Federal Communications Commission, or FCC. To remain eligible to provide services under this program in any state, we must maintain our telecommunications authorizations in that state. Under the E-rate program, schools, libraries and certain health-care facilities may receive subsidies for certain approved telecommunications services, internet access, and internal connections. From time to time, bills have been introduced in Congress that would eliminate or curtail the E-rate program. If such a bill were passed, or if the FCC or USAC were to further limit E-rate subsidies, it could result in a decrease in the demand for our telecommunications infrastructure services by certain customers.

The telecommunications services that we provide are subject to regulation by the FCC to the extent that they are interstate telecommunications services and, when wholly within a particular state, are subject to regulation by such state. We currently contribute to state, but not federal, universal service funds for the majority of our telecommunications services. Changes in federal or state regulations could reduce the profitability of our telecommunications business. We could also be subject to fines if the FCC or a state regulatory agency were to determine that any of our activities or positions violated its regulations.

Two of our subsidiaries are regulated by state public utility commissions. Regulations promulgated by certain of these public utility commissions require approval prior to the sale of shares by our principal stockholders. If any such approval is not obtained prior to the consummation of the sale of the shares by our principal stockholders, we intend to seek it after the consummation of the offering. We do not believe that our failure to obtain any required approvals prior to the consummation of the offering will have material consequences to us, but there can be no assurance it will not.

Newly adopted accounting regulations require us to expense stock options, which could cause our stock price to decline.

We recently adopted the provisions of the Financial Accounting Standards Board (FASB) 123R, Share Based Payment which will eliminate the ability to account for share-based compensation transactions using the intrinsic method that we used during 2005. Generally, these new provisions require that such transactions be accounted for using a fair-value-based method and recognized as an expense in our consolidated statement of operations. The effective date for this change for us was as of January 1, 2006. Previously, we only disclosed such expenses on a pro forma basis in the notes to our consolidated financial statements in accordance with generally accepted accounting principles (GAAP). Accordingly, in any reporting period in which we are required to recognize an expense for share-based compensation, our earnings will be lower than if no expense had been taken. Our stock price could decline in response to any perceived decline in our reported earnings.

Risks Relating to this Offering

The price of our common stock may fluctuate substantially.

Since our initial public offering in May 2004, the market price of our common stock has fluctuated significantly. After this offering, the market price of our common stock is likely to continue to fluctuate due to many factors, including:

- actual or anticipated fluctuations in our results of operations;
- variance in our financial performance from the expectations of market analysts;
- conditions and trends in the end markets we serve and changes in the estimation of the size and growth rate of these markets;
- announcements of significant contracts by us or our competitors;
- loss of one or more of our significant customers;
- legislation;
- protracted weather effects;
- changes in market valuation or earnings of our competitors;
- changes in our level of backlog;
- the trading volume of our common stock; and
- general economic conditions.

In addition, the stock market in general, and the New York Stock Exchange and the market for infrastructure service companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular companies affected. These broad market and industry factors may materially harm the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been instituted against that company. Such litigation, if instituted against us, could result in substantial costs and a diversion of management's attention and resources.

We do not intend to pay dividends on our common stock and, consequently, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates.

We do not plan to declare dividends on shares of our common stock in the foreseeable future. Further, the payment of dividends by us is restricted by our credit facility. See Dividend Policy for more information. Consequently, your only opportunity to achieve a return on your investment in our company will be if the market price of our common stock appreciates and you sell your shares at a profit.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements made or incorporated by reference in this prospectus and any free writing prospectus that we may prepare in connection with this offering are forward-looking statements. These forward-looking statements are based upon our current expectations and projections about future events. When used or incorporated by reference in this prospectus or any such free writing prospectus, the words believe, anticipate, intend, estimate, expect, will, should, may and similar expressions, or the negative of such words and expressions, are intended to identify forward-looking statements, although not all forward-looking statements contain such words or expressions. These forward-looking statements generally relate to our plans, objectives and expectations for future operations and are based upon management's current estimates and projections of future results or trends. Although we believe that our plans and objectives reflected in or suggested by these forward-looking statements are reasonable, we may not achieve these plans or objectives. You should read this prospectus, including the information incorporated by reference in this prospectus, completely and with the understanding that actual future results may be materially different from what we expect. Except as required by law with respect to statements contained or incorporated by reference in this prospectus or any such free writing prospectus, we will not update forward-looking statements even though our situation may change in the future.

Specific factors that might cause actual results to differ from our expectations or may affect the value of our common stock include, but are not limited to:

- the award of new contracts and the timing of the award and performance of those contracts;
- cyclical changes that could reduce the demand for the services we provide;
- the nature of our contracts, particularly our fixed-price contracts;
- the effect of our percentage-of-completion accounting policies;
- loss of key customers;
- our failure to attract and retain qualified personnel;
- skilled labor shortages and increased labor costs;
- the uncertainty of the effects of the Energy Act;
- failure to profitably realize our backlog;
- project delays or cancellations;
- work hindrance due to seasonal and other variations, including severe weather conditions;
- the failure to meet schedule or performance requirements of our contracts;
- significant competition in our industry;
- the presence of competitors with greater financial resources and the impact of competitive products, services and pricing;
- our ability to successfully identify, integrate and complete acquisitions;
- the effectiveness of our internal controls over financial reporting;
- limitations in our financing agreements that restrict our business operations;

- our ability to obtain surety bonds;
- construction accidents and injuries;
- the impact of our unionized workforce on our operations;
- a change in government laws or regulations; and
- the risks discussed under Risk Factors and elsewhere in, or incorporated by reference in, this prospectus and any such free writing prospectus, including the risks discussed in our Annual Report on Form 10-K for the year ended December 31, 2005, our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006 and our other periodic filings with the SEC.

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USE OF PROCEEDS

We will not receive any of the proceeds from the sale of shares in this offering.

DIVIDEND POLICY

We do not anticipate paying any cash dividends in the foreseeable future. Instead, we anticipate that all of our earnings, if any, in the foreseeable future will be used to repay debt, for working capital, to support our operations and to finance the growth and development of our business. Any future determination relating to dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including restrictions in our debt instruments, our future earnings, capital requirements, financial condition, future prospects and the General Corporation Law of the State of Delaware, which provides that dividends are only payable out of surplus or current net profits. We are currently restricted from declaring or paying cash dividends pursuant to the terms of our senior credit facility.

PRICE RANGE OF COMMON STOCK

Our common stock has been listed on the New York Stock Exchange under the symbol **IFS** since it was initially offered to the public on May 12, 2004. Prior to that time, there had not been a market for our common stock. The following table shows the high and low per share sale prices of our common stock for the periods indicated, based on the NYSE consolidated transaction report:

	High	Low
Year ended December 31, 2004		
Second Quarter (from May 12, 2004)	\$ 13.14	\$ 11.50
Third Quarter	\$ 12.59	\$ 7.66
Fourth Quarter	\$ 14.98	\$ 10.10
Year ended December 31, 2005		
First Quarter	\$ 13.11	\$ 11.00
Second Quarter	\$ 13.47	\$ 9.53
Third Quarter	\$ 15.66	\$ 10.25
Fourth Quarter	\$ 14.86	\$ 10.76
Year ended December 31, 2006		
First Quarter	\$ 19.17	\$ 12.52
Second Quarter (through June 28, 2006)	\$20.29	\$ 16.23

On June 28, 2006, the last reported sale price of our common stock on the New York Stock Exchange was \$19.00 per share. As of June 21, 2006, there were approximately 2,351 holders of record of our common stock.

CAPITALIZATION

The following table summarizes our cash and cash equivalents and our capitalization as of March 31, 2006.

You should read the following table in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2005 and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006 and the consolidated financial statements and related notes incorporated by reference in this prospectus.

	As of March 31, 2006 (in thousands)
Cash and cash equivalents	\$ 11,891
Debt:	
Senior credit facility(1)	\$ 83,604
Other	81
Total debt	83,685
Shareholders' equity:	
Common stock, \$0.001 par value; authorized 120,000,000 shares, 39,673,004 shares issued and outstanding	40
Treasury stock at cost (29,870)	(137)
Additional paid-in capital	279,368
Retained earnings	27,106
Accumulated other comprehensive income	553
Total shareholders' equity	306,930
Total capitalization	\$ 390,615

(1) As of March 31, 2006, we had no borrowings under the revolving portion of our credit facility and approximately \$32.0 million of letters of credit outstanding thereunder.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our common stock as of June 19, 2006 by: (a) each person known by us to be the beneficial owner of more than 5% of the outstanding shares of common stock, (b) each director and named executive officer, (c) all of our executive officers and directors as a group and (d) each selling stockholder.

Percentage ownership before and after the offering is based on 39,992,589 shares of common stock outstanding as of June 19, 2006, subject to the assumptions set forth below. Beneficial ownership is determined in accordance with the rules of the SEC. Except as indicated by footnote, and subject to community property laws where applicable, to our knowledge, the persons named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are exercisable as of June 19, 2006, or will become exercisable within 60 days thereafter are deemed outstanding, while such shares are not deemed outstanding for purposes of computing percentage ownership of any other person. The following table does not give effect to the exercise of the underwriters' over-allotment option. See Note (2) in the table below for information regarding sales pursuant to the over-allotment option.

Name of Beneficial Owner(1)	Shares Beneficially Owned Prior to Offering Number of Shares	Percent	Maximum Number of Shares Offered in this Offering(2)	Percentage Ownership After this Offering
Selling Stockholders:				
OCM/GFI Power Opportunities Fund, L.P.	5,441,897	13.6 %		
OCM Principal Opportunities Fund II, L.P.	5,441,897	13.6 %		
David R. Helwig	616,938	1.5 %		
Paul M. Daily	199,021	*		
Greater than 5% Stockholders, Directors and Named Executive Officers:				
OCM/GFI Power Opportunities Fund, L.P.	5,441,897	13.6 %		
OCM Principal Opportunities Fund II, L.P.	5,441,897	13.6 %		
Oaktree Capital Management, LLC(3)(4)(5)	10,883,794	27.2 %		
GFI Energy Ventures LLC(7)(8)(9)	5,441,897	13.6 %		
Stephen Kaplan(3)(4)(5)(6)	10,883,794	27.2 %		
Laurence D. Gilson(7)(9)(10)	5,441,897	13.6 %		
Richard K. Landers(7)(9)(11)	5,441,897	13.6 %		
Tontine Capital Partners, L.P.(12)	3,401,708	8.5 %		
GLG Partners LP (13)	2,027,075	5.1 %		
John A. Brayman(14)	22,155	*		
J. Michal Conaway				
Michael P. Harmon(3)(4)(5)(15)	10,883,794	27.2 %		
Ian A. Schapiro(7)(9)(16)	5,441,897	13.6 %		
Richard S. Siudek(17)	19,913	*		
David H. Watts(18)	19,913	*		
David R. Helwig(19)	616,938	1.5 %		
Terence R. Montgomery(20)	268,923	*		
Paul M. Daily(21)	199,021	*		
Stephen J. Reiten(22)	155,950	*		
Lawrence P. Coleman(23)	7,736	*		
All executive officers and directors as a group (14 persons)(24)	12,239,343	30.0 %		

* Represents beneficial ownership of less than 1% of the outstanding shares of common stock.

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- (1) Unless otherwise indicated, the address for each of the individuals listed below is: c/o InfraSource Services, Inc., 100 West Sixth Street, Suite 300, Media, Pennsylvania 19063.
- (2) If the underwriters over-allotment option is exercised in full, the following persons named in the table above will sell the additional number of shares set forth after their respective names: OCM/GFI Power Opportunities Fund, L.P. (Power Fund) (); OCM Principal Opportunities Fund II, L.P. (POF) (); Mr. Helwig (); and Mr. Daily (). A selling stockholder may be deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act of 1933, as amended (the Securities Act), in which event such selling stockholder may be subject to certain statutory liabilities, including, but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Securities Exchange Act of 1934, as amended (the Exchange Act).
- (3) Includes: (i) 5,441,897 shares of common stock owned by Power Fund and (ii) 5,441,897 shares of common stock owned by POF.
- (4) Oaktree Capital Management, LLC (Oaktree) is the co-general partner of Power Fund and the general partner of POF. By virtue of its relationship to POF and Power Fund, Oaktree may be deemed to have or share beneficial ownership of shares owned by Power Fund and POF. Oaktree expressly disclaims beneficial ownership of such common stock held by POF and Power Fund except for its pecuniary interest therein. Voting and investment decisions with respect to shares of our common stock held by POF are generally made on behalf of Oaktree by Stephen Kaplan and Michael Harmon. Mr. Kaplan is a founding principal of Oaktree and Mr. Harmon is a Managing Director of Oaktree. Each of Mr. Kaplan and Mr. Harmon expressly disclaims beneficial ownership of such common stock, except to the extent of his pecuniary interest therein. Voting and investment decisions with respect to shares of our common stock held by Power Fund are made on behalf of Power Fund by an investment committee comprised of Lawrence Gilson, Richard Landers and Ian Schapiro (the GFI Representatives) and Mr. Kaplan and Mr. Harmon. Decisions by the investment committee of Power Fund require the affirmative vote of two of the GFI Representatives and of Mr. Kaplan and Mr. Harmon. Each of Messrs. Gilson, Landers, Schapiro, Kaplan and Harmon expressly disclaims beneficial ownership of such common stock, except to the extent of his pecuniary interest therein.
- (5) c/o Oaktree Capital Management, LLC, 333 South Grand Avenue, Los Angeles, California 90071.
- (6) By virtue of being a principal of Oaktree, Mr. Kaplan may be deemed to have or share beneficial ownership of shares of our common stock beneficially owned by Oaktree. Mr. Kaplan expressly disclaims beneficial ownership of such common stock, except to the extent of his pecuniary interest therein.
- (7) Includes 5,441,897 shares of common stock owned by Power Fund.
- (8) GFI is the co-general partner of Power Fund. By virtue of its relationship to Power Fund, GFI may be deemed to have or share beneficial ownership of shares owned by Power Fund. GFI expressly disclaims beneficial ownership of such common stock held by Power Fund.
- (9) c/o GFI Energy Ventures, LLC, 11611 San Vicente Boulevard, Suite 710, Los Angeles, California 90049.
- (10) By virtue of being a founding principal of GFI, Mr. Gilson may be deemed to have or share beneficial ownership of shares of our common stock beneficially owned by GFI. Mr. Gilson expressly disclaims beneficial ownership of such common stock, except to the extent of his pecuniary interest therein.
- (11) By virtue of being a founding principal of GFI, Mr. Landers may be deemed to have or share beneficial ownership of shares of our common stock beneficially owned by GFI. Mr. Landers expressly disclaims beneficial ownership of such common stock, except to the extent of his pecuniary interest therein.
- (12) In Amendment No. 1 to Schedule 13G, dated February 14, 2006, jointly filed by Tontine Capital Partners, L.P., Tontine Capital Management, L.L.C. and Jeffrey L. Gendell, such persons report that as of December 31, 2005, (i) they possessed shared power to vote and dispose of these shares, and (ii) the business address of each such person is Railroad Avenue, 3rd Floor, Greenwich, Connecticut 06830.
- (13) In Schedule 13G, dated June 21, 2006, jointly filed by GLG Partners LP, GLC Partners Limited, Noam Gottesman, Pierre Lagrange and Emmanuel Roman, such persons report that as of June 13, 2006, (i) they

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possessed shared power to vote and dispose of these shares, and (ii) the business address of each such person is 1 Curzon Street, London W1J 5HB, England.

(14) Consists of (i) 19,913 shares of common stock acquired by Mr. Brayman pursuant to the exercise of then-unvested stock options, of which 9,957 shares of common stock are subject to repurchase and (ii) options to purchase 2,242 shares of common stock that are currently exercisable.

(15) By virtue of being a Managing Director of Oaktree, Mr. Harmon may be deemed to have or share beneficial ownership of shares of our common stock beneficially owned by Oaktree. Mr. Harmon expressly disclaims beneficial ownership of such common stock, except to the extent of his pecuniary interest therein.

(16) By virtue of being a founding principal of GFI, Mr. Schapiro may be deemed to have or share beneficial ownership of shares of our common stock beneficially owned by GFI. Mr. Schapiro expressly disclaims beneficial ownership of such common stock, except to the extent of his pecuniary interest therein.

(17) Consists of (i) options to purchase 9,957 shares of common stock subject to unvested stock options that may be exercised prior to vesting and (ii) options to purchase 9,956 shares of common stock that are currently exercisable.

(18) Consists of (i) 14,935 shares of common stock subject to unvested stock options that may be exercised prior to vesting and (ii) options to purchase 4,978 shares of common stock that are currently exercisable.

(19) Consists of (i) 116,974 shares of common stock subject to unvested stock options that may be exercised prior to vesting, (ii) options to purchase 56,092 shares of common stock that are currently exercisable and (iii) 443,872 shares of common stock owned by DRHCLH Partnership, L.P., of which the beneficial owners are Mr. Helwig and his wife. In his capacity as general partner, Mr. Helwig exercises all voting and investment power with respect to the shares owned by DRHCLH Partnership, L.P. 72,197 shares of common stock owned by DRHCLH Partnership, L.P. are subject to repurchase under specified circumstances upon a termination of Mr. Helwig's employment.

(20) Consists of (i) 79,651 shares of common stock subject to unvested stock options that may be exercised prior to vesting, (ii) options to purchase 129,134 shares of common stock that are currently exercisable and (iii) 60,138 shares of common stock owned by Mr. Montgomery.

(21) Consists of (i) 56,984 shares of common stock subject to unvested stock options that may be exercised prior to vesting, (ii) options to purchase 128,750 shares of common stock that are currently exercisable and (iii) 13,287 shares of common stock owned by Mr. Daily.

(22) Consists of (i) 49,782 shares of common stock subject to unvested stock options that may be exercised prior to vesting and (ii) options to purchase 106,168 shares of common stock that are currently exercisable.

(23) Consists of 7,736 shares of common stock owned by Mr. Coleman directly, of which 7,407 shares of common stock are subject to repurchase under specified circumstances upon a termination of Mr. Coleman's employment.

(24) Includes (i) 328,283 shares of common stock subject to options that may be exercised prior to vesting, (ii) options to purchase 459,320 shares of common stock that are currently exercisable, and (iii) options to purchase 23,000 shares of common stock that will become exercisable within 60 days.

David R. Helwig is our Chief Executive Officer and President, and Paul M. Daily is the President and Chief Executive Officer of InfraSource Underground Services, Inc., one of our subsidiaries. Other than their ownership of our common stock, the only material relationships between us and each of Power Fund and POF are described under "Certain Relationships and Related Transactions" in our Proxy Statement for our 2006 Annual Meeting of Stockholders and in our Current Report on Form 8-K filed with the SEC on June 29, 2006, both of which are incorporated by reference in this prospectus.

Both Power Fund and POF have an affiliate that is a registered broker-dealer and member of the National Association of Securities Dealers, Inc. Power Fund and POF each represent that they have purchased the shares being registered for resale in the ordinary course of business, and that at the time of purchase of the shares, neither had any agreements or understandings, directly or indirectly, with any person to distribute the shares.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated _____, the selling stockholders have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Lehman Brothers Inc. and First Albany Capital Inc. are acting as representatives, the following respective numbers of shares of common stock:

Underwriter	Number of Shares
Credit Suisse Securities (USA) LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Lehman Brothers Inc.	
First Albany Capital Inc.	
Total	10,400,000

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults the purchase commitments of non-defaulting underwriters may be increased or, under certain circumstances, the offering may be terminated.

The selling stockholders have granted to the underwriters a 30-day option to purchase on a pro rata basis up to 1,560,000 additional shares at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a selling concession of \$ _____ per share. The underwriters and selling group members may allow a discount of \$ _____ per share on sales to other broker/dealers. After the initial public offering, the representatives may change the public offering price and concession and discount to broker/dealers.

The following table summarizes the compensation and estimated expenses the selling stockholders will pay:

	Per Share Without Over-allotment	With Over-allotment	Total Without Over-allotment	With Over-allotment
Underwriting Discounts and Commissions paid by selling stockholders	\$	\$	\$	\$
Expenses payable by the selling stockholders	\$	\$	\$	\$

We have agreed that, without the prior written consent of Credit Suisse Securities (USA) LLC, we will not, directly or indirectly, offer, sell or dispose of any common stock or any securities which may be convertible into or exchanged for common stock (other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to currently outstanding options, warrants or rights) for a period of 90 days from the date of this prospectus. All of our directors and executive officers and the selling stockholders have agreed that, without the prior written consent of Credit Suisse Securities (USA) LLC and other than in this offering, they will not directly or indirectly, offer, pledge, announce the intention to sell, sell, contract to sell, sell an option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or

otherwise transfer or dispose of any common stock or any securities that may be converted into or exchanged for any common stock, enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock, make any demand for or exercise any right or file or cause to be filed a registration statement with respect to the registration of any shares of common stock or securities convertible, exercisable or exchangeable into common stock or any of our other securities or publicly disclose the intention to do any of the foregoing for a period of 90 days from the date of this prospectus other than permitted transfers. These lock-up agreements are subject to customary exceptions, including dispositions by gift, will or intestacy; transfers to immediate family members or entities of which the only beneficiaries or beneficial owners are a director, executive officer or stockholder of ours and/or the immediate family members of such person; transfers to entities wholly owned by a director, executive officer or stockholder of ours; dispositions to charitable organizations; and distributions to partners, members or stockholders of our stockholders.

The 90-day restricted period described in the preceding paragraph will be extended, subject to certain exceptions, if:

- during the last 17 days of the 90-day restricted period we issue an earnings release or announce material news or a material event; or
- prior to the expiration of the 90-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 90-day period;

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing shares in the open market.
- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.
- In passive market making, market makers in the common stock who are underwriters or prospective underwriters may, subject to limitations, make bids for or purchases of our common stock until the time, if any, at which a stabilizing bid is made.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions, if commenced, may be discontinued at any time.

A prospectus in electronic format will be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representatives may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations.

In connection with the Merger, Merrill Lynch, Pierce, Fenner & Smith Incorporated performed advisory services and rendered a fairness opinion to InfraSource Incorporated and received customary fees and expenses. Certain of the underwriters and their related entities have engaged and may engage in commercial and investment banking transactions with us in the ordinary course of their business. They have received customary compensation and expenses for these commercial and investment banking transactions.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for the selling stockholders by Skadden, Arps, Slate, Meagher & Flom LLP, Los Angeles, California, and for the underwriters by Latham & Watkins LLP, Los Angeles, California. Skadden, Arps, Slate, Meagher & Flom LLP has from time to time represented certain of the underwriters, Oaktree and GFI on unrelated matters. Latham & Watkins LLP represents Oaktree and certain of its affiliates from time to time on unrelated matters.

EXPERTS

The consolidated financial statements of InfraSource Incorporated for the period from January 1, 2003 to September 23, 2003 incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2005 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of InfraSource Services, Inc. as of December 31, 2005 and 2004 and for the years ended December 31, 2005 and 2004 and for the period May 30, 2003 (date of inception) to December 31, 2003 and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) as of December 31, 2005 incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2005 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We maintain a website at www.infrasourceinc.com. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus.

We have filed with the SEC a registration statement on Form S-3 (including the exhibits, schedules and amendments to the registration statement) under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus does not contain all the information set forth in the registration statement. For further information with respect to us and the shares of common stock to be sold in this offering, we refer you to the registration statement. Statements contained in, or incorporated by reference in, this prospectus as to the contents of any contract, agreement or other document to which we make reference are not necessarily complete. In each instance, we refer you to the copy of such contract, agreement or other document filed as an exhibit to the registration statement.

In addition, we are subject to the reporting and information requirements of the Exchange Act, and, as a result, we file periodic and current reports, proxy statements and other information with the SEC. You may read and copy this information at the Public Reference Room of the SEC located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Copies of all or any part of the registration statement may be obtained from the SEC's offices upon payment of fees prescribed by the SEC. The SEC maintains an Internet site that contains periodic and current reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of the SEC's website is <http://www.sec.gov>.

We are incorporating some information about us that we file with the SEC. The information in this prospectus supersedes information incorporated by reference that we have filed with the SEC prior to the

date of this prospectus, while information that we file with the SEC after the date of this prospectus that is incorporated by reference will automatically update and supersede this information.

We incorporate by reference the following documents we have filed, or may file, with the SEC:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, filed with the SEC on March 1, 2006;
- our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006, filed with the SEC on May 5, 2006;
- our Current Report on Form 8-K relating to items 8.01 and 9.01, filed with the SEC on March 1, 2006;
- our Current Reports on Form 8-K, filed with the SEC on February 2, 2006, March 21, 2006 and June 29, 2006;
- the description of our common stock contained in our Registration Statement on Form 8-A filed with the SEC on April 29, 2004; and
- all documents filed by us with the SEC under the Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and before termination of this offering.

Information in any Current Report on Form 8-K and any exhibits attached thereto that was furnished but not filed for purposes of Section 18 of the Exchange Act is not incorporated by reference in this prospectus.

You may request a copy of any of the documents incorporated by reference in this prospectus, at no cost, by writing or telephoning us at the following address:

InfraSource Services, Inc.
Attention: Investor Relations
100 West Sixth Street, Suite 300
Media, Pennsylvania 19063
(610) 480-8000

PART II**INFORMATION NOT REQUIRED IN PROSPECTUS****Item 14. Other Expenses of Issuance and Distribution**

The following table sets forth the various expenses, other than the underwriting discounts and commissions, payable in connection with the sale and distribution of the securities being registered. All amounts shown are estimates, except the Securities and Exchange Commission registration fee and the National Association of Securities Dealers, Inc. filing fee.

SEC registration fee	\$ 23,649
NASD filing fee	22,602
Accounting fees and expenses	*
Legal fees and expenses	*
Printing expenses	*
Transfer agent fees and expenses	*
Blue sky fees and expenses	*
Miscellaneous fees and expenses	*
Total**	*

* To be completed by amendment.

** The selling stockholders have agreed to pay, pro rata based on the number of shares sold, the expenses incurred by InfraSource in connection with this offering.

Item 15. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to InfraSource Services, Inc. The Delaware General Corporation Law provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for any breach of the director's duty of loyalty to the corporation or its stockholders, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions, or for any transaction from which the director derived an improper personal benefit.

Article Fifth of InfraSource Services, Inc.'s certificate of incorporation provides that a director of InfraSource Services, Inc. shall not be liable to InfraSource Services, Inc. or its stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by Delaware law. In addition, Article Sixth of InfraSource Services, Inc.'s certificate of incorporation provides that InfraSource Services, Inc. shall indemnify its directors and officers to the fullest extent permitted by Delaware law, including the right to be paid by InfraSource Services, Inc. the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition.

We have entered into indemnification agreements with our directors and officers. The indemnification agreements provide indemnification to our directors and officers under certain circumstances for acts or omissions which may not be covered by directors and officers liability insurance, and may, in some cases, be broader than the specific indemnification provisions contained under Delaware law. We have also obtained directors and officers liability insurance, which insures against liabilities that our directors or officers may incur in such capacities.

Item 16. Exhibits

Exhibit No.	Document
1.1	Form of Underwriting Agreement.*
2.1	Amended and Restated Asset Purchase Agreement, dated as of September 3, 2004, by and among InfraSource Underground Construction, LLC, Sub-Surface Construction Co., EnStructure Corporation and SEMCO Energy, Inc.(3)
2.2	Amended and Restated Asset Purchase Agreement, dated as of September 3, 2004, by and among IUC SOUTH, LLC, InfraSource Underground Construction Services, Inc., Flint Construction Company, EnStructure Corporation and SEMCO Energy, Inc.(3)
2.3	Amended and Restated Asset Purchase Agreement, dated as of September 3, 2004, by and among InfraSource Underground Construction, LLC, Mueller Pipeliners, Inc., Iowa Pipeline Associates, Inc., EnStructure Corporation and SEMCO Energy, Inc.(3)
4.1	Stockholders Agreement, dated as of September 24, 2003, by and among InfraSource Services, Inc. (f/k/a the Dearborn Holdings Corporation) and its Security Holders party thereto.(1)
4.2	Registration Rights Agreement, dated as of April 20, 2004, by and among InfraSource Services Inc., OCM/GFI Power Opportunities Fund, L.P., OCM Principal Opportunities Fund II, L.P., Martin Maslonka, Thomas B. Tilford, Mark C. Maslonka, Justin Campbell, Joseph Gabbard, Sidney Strauss, Jon Maslonka, David R. Helwig, Terence R. Montgomery and Paul M. Daily.(2)
4.2.1	Amendment to Registration Rights Agreement, dated as of December 7, 2005, by and among InfraSource Services, Inc., OCM Principal Opportunities Fund II, L.P., OCM/GFI Power Opportunities Fund, L.P., Tontine Capital Partners, L.P., Martin Maslonka, Thomas B. Tilford, Mark C. Maslonka, Justin Campbell, Joseph Gabbard, Sidney N. Strauss, Jon Maslonka, David R. Helwig, Terence R. Montgomery and Paul M. Daily.(4)
4.2.2	Second Amendment to Registration Rights Agreement, dated as of June 28, 2006, by and among InfraSource Services, Inc., OCM Principal Opportunities Fund II, L.P., OCM/GFI Power Opportunities Fund, L.P., Tontine Capital Partners, L.P., Martin Maslonka, Thomas B. Tilford, Mark C. Maslonka, Justin Campbell, Joseph Gabbard, Sidney N. Strauss, Jon Maslonka, David R. Helwig, Terence R. Montgomery and Paul M. Daily.(5)
5.1	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (contained in Exhibit 5.1).
24.1	Power of Attorney (included on signature page of the Registration Statement).

* To be filed by amendment.

InfraSource Services, Inc. agrees to furnish copies of the exhibits referenced in this agreement to the Securities and Exchange Commission upon request.

- (1) Incorporated by reference from the Registration Statement on Form S-1 filed by the Registrant on January 30, 2004.
- (2) Incorporated by reference from Amendment No. 3 to the Registration Statement on Form S-1 filed by the Registrant on April 29, 2004.
- (3) Incorporated by reference from the Current Report on Form 8-K filed by the Registrant on September 7, 2004.
- (4) Incorporated by reference from the Annual Report on Form 10-K filed by the Registrant on March 1, 2006.
- (5) Incorporated by reference from the Current Report on Form 8-K filed by the Registrant on June 29, 2006.

Item 17. Undertakings

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the registrant pursuant to the provisions described in Item 15 Indemnification of Directors and Officers above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(b) The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at such time shall be deemed to be the initial *bona fide* offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Media, Commonwealth of Pennsylvania, on June 28, 2006.

InfraSource Services, Inc.
 By: /S/ DAVID R. HELWIG
 David R. Helwig
Chief Executive Officer and President

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of David R. Helwig and Terence R. Montgomery his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this registration statement (and any registration statement filed pursuant to Rule 462 under the Securities Act of 1933, as amended, for the offering to which this registration statement relates) and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/S/ DAVID R. HELWIG David R. Helwig	Chief Executive Officer, President and Director (Principal Executive Officer)	June 28, 2006
/S/ TERENCE R. MONTGOMERY Terence R. Montgomery	Chief Financial Officer (Principal Financial Officer) Vice President, Corporate Controller and Chief Accounting	June 28, 2006
/S/ R. BARRY SAUDER R. Barry Sauder	Officer (Principal Accounting Officer)	June 28, 2006

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/S/ IAN A. SCHAPIRO Ian A. Schapiro	Director and Interim Chairman of the Board	June 28, 2006
/S/ JOHN BRAYMAN John Brayman	Director	June 28, 2006
/S/ J. MICHAL CONAWAY J. Michal Conaway	Director	June 28, 2006
/S/ MICHAEL P. HARMON Michael P. Harmon	Director	June 28, 2006
/S/ RICHARD S. SIUDEK Richard S. Siudek	Director	June 28, 2006
/S/ DAVID H. WATTS David H. Watts	Director	June 28, 2006

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EXHIBIT INDEX

Exhibit No.	Document
1.1	Form of Underwriting Agreement.*
2.1	Amended and Restated Asset Purchase Agreement, dated as of September 3, 2004, by and among InfraSource Underground Construction, LLC, Sub-Surface Construction Co., EnStructure Corporation and SEMCO Energy, Inc.(3)
2.2	Amended and Restated Asset Purchase Agreement, dated as of September 3, 2004, by and among IUC SOUTH, LLC, InfraSource Underground Construction Services, Inc., Flint Construction Company, EnStructure Corporation and SEMCO Energy, Inc.(3)
2.3	Amended and Restated Asset Purchase Agreement, dated as of September 3, 2004, by and among InfraSource Underground Construction, LLC, Mueller Pipeliners, Inc., Iowa Pipeline Associates, Inc., EnStructure Corporation and SEMCO Energy, Inc.(3)
4.1	Stockholders Agreement, dated as of September 24, 2003, by and among InfraSource Services, Inc. (f/k/a the Dearborn Holdings Corporation) and its Security Holders party thereto.(1)
4.2	Registration Rights Agreement, dated as of April 20, 2004, by and among InfraSource Services Inc., OCM/GFI Power Opportunities Fund, L.P., OCM Principal Opportunities Fund II, L.P., Martin Maslonka, Thomas B. Tilford, Mark C. Maslonka, Justin Campbell, Joseph Gabbard, Sidney Strauss, Jon Maslonka, David R. Helwig, Terence R. Montgomery and Paul M. Daily.(2)
4.2.1	Amendment to Registration Rights Agreement, dated as of December 7, 2005, by and among InfraSource Services, Inc., OCM Principal Opportunities Fund II, L.P., OCM/GFI Power Opportunities Fund, L.P., Tontine Capital Partners, L.P., Martin Maslonka, Thomas B. Tilford, Mark C. Maslonka, Justin Campbell, Joseph Gabbard, Sidney N. Strauss, Jon Maslonka, David R. Helwig, Terence R. Montgomery and Paul M. Daily.(4)
4.2.2	Second Amendment to Registration Rights Agreement, dated as of June 28, 2006, by and among InfraSource Services, Inc., OCM Principal Opportunities Fund II, L.P., OCM/GFI Power Opportunities Fund, L.P., Tontine Capital Partners, L.P., Martin Maslonka, Thomas B. Tilford, Mark C. Maslonka, Justin Campbell, Joseph Gabbard, Sidney N. Strauss, Jon Maslonka, David R. Helwig, Terence R. Montgomery and Paul M. Daily.(5)
5.1	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (contained in Exhibit 5.1).
24.1	Power of Attorney (included on signature page of the Registration Statement).

* To be filed by amendment.

InfraSource Services, Inc. agrees to furnish copies of the exhibits referenced in this agreement to the Securities and Exchange Commission upon request.

- (1) Incorporated by reference from the Registration Statement on Form S-1 filed by the Registrant on January 30, 2004.
- (2) Incorporated by reference from Amendment No. 3 to the Registration Statement on Form S-1 filed by the Registrant on April 29, 2004.
- (3) Incorporated by reference from the Current Report on Form 8-K filed by the Registrant on September 7, 2004.
- (4) Incorporated by reference from the Annual Report on Form 10-K filed by the Registrant on March 1, 2006.
- (5) Incorporated by reference from the Current Report on Form 8-K filed by the Registrant on June 29, 2006.