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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

DATE OF REPORT *(Date of earliest event reported):* **APRIL 26, 2006**

QUANTA SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-13831

(Commission File No.)

74-2851603

(IRS Employer Identification No.)

1360 Post Oak Boulevard, Suite 2100

Houston, Texas 77056

(Address of principal executive offices, including ZIP code)

(713) 629-7600

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ~~see~~ General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 1.01 Entry into a Material Definitive Agreement.

On April 26, 2006, Quanta Services, Inc. and certain of its subsidiaries entered into a third amendment (the "Third Amendment") to Quanta's Credit Agreement dated as of December 19, 2003, as amended, with Bank of America, N.A., as administrative agent and lender, and the other lenders identified therein (the "Credit Agreement") to, among other things, permit (i) the issuance by Quanta of its convertible subordinated notes due 2026 (the "Notes"), in the aggregate principal amount of \$125 million plus the over-allotment option, if exercised, of \$18.75 million and (ii) the repurchase by Quanta through a tender offer of any or all of its outstanding 4.0% convertible subordinated notes prior to their maturity on July 1, 2007. The offering of the Notes and the repurchase of the 4.0% convertible subordinated notes due 2007 are further described in Item 8.01 of this report. In addition, the Third Amendment (i) permits the payment of dividends and the repurchase by Quanta of shares of its capital stock in an aggregate amount of up to \$75 million, in addition to dividends and stock repurchases previously permitted under the Credit Agreement, and (ii) incorporates the occurrence of an event of default under the terms governing the Notes as an event of default under the Credit Agreement.

The description of the Third Amendment set forth above is qualified in its entirety by reference to the Third Amendment, which is attached hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

On April 26, 2006, Quanta announced the private offering of the Notes, as described further in Item 8.01. In connection with such offering, Quanta intends to disclose to potential investors certain consolidated capitalization data as of the fiscal year ended December 31, 2005, adjusted to reflect the offering of the Notes and the net proceeds therefrom and assuming the repurchase of all of Quanta's 4.0% convertible subordinated notes due 2007. Such data is set forth in the attached Exhibit 99.2 and is hereby incorporated by reference in this Item 7.01 of this report.

In addition, Quanta intends to disclose that its "ratio of earnings to fixed charges" as of and for the fiscal years ended December 31, 2001 and December 31, 2005 was \$4.6 million and \$2.2 million, respectively, and as of and for the fiscal years ended December 31, 2002, December 31, 2003 and December 31, 2004 was less than 1:1 due to losses incurred for each of these fiscal years. To achieve a coverage ratio of 1:1, Quanta needed additional earnings of \$193.8 million, \$53.1 million and \$12.6 million for the fiscal years ended December 31, 2002, December 31, 2003 and December 31, 2004, respectively. For purposes of computing the ratios of earnings to fixed charges, "earnings" consists of income before provision for income taxes, plus fixed charges (excluding capitalized interest) and "fixed charges" consist of interest expensed and capitalized, amortization of debt discount and expense relating to indebtedness and the portion of rental expense representative of the interest factor attributable to leases of property.

Further, Quanta intends to disclose the following information with respect to its credit facility: (i) as of February 28, 2006, Quanta had approximately \$141.6 million of letters of credit

issued under its letter of credit facility and \$4.5 million of its letter of credit facility outstanding as a term loan, with the remaining \$0.9 million available under this facility available for issuing new letters of credit, (ii) the weighted average interest rate for the two months ended February 28, 2006 associated with amounts under the term loan portion of Quanta's letter of credit facility was 7.50%, (iii) as of February 28, 2006, Quanta had approximately \$3.3 million of letters of credit issued under its revolving credit facility and borrowing availability of \$31.7 million under this facility and (iv) as of February 28, 2006, Quanta was in compliance with all of its covenants under its credit facility.

The information contained in this Item 7.01 is neither an offer to sell nor a solicitation of an offer to buy any of the Notes. The Notes will be offered only to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The Notes and shares of common stock issuable upon conversion of the Notes have not been registered under the Securities Act or any other securities laws. Unless so registered, the Notes and shares of common stock issuable upon conversion of the Notes may not be offered or sold except pursuant to an exemption from the registration requirements of applicable securities laws.

The information furnished in this Item 7.01, including Exhibit 99.2, shall not be deemed "filed" with the SEC and will not be incorporated by reference into any registration statement filed under the Securities Act, unless specifically identified therein as being incorporated by reference. The information set forth in this Item 7.01 shall not be deemed an admission as to the materiality of any information in this report on Form 8-K.

Item 8.01 Other Events.

On April 26, 2006, Quanta issued a press release announcing, among other things, the private offering of the Notes. As described in the press release, Quanta intends to use the net proceeds from the offering, together with existing cash, to repurchase through a tender offer all or a portion of Quanta's 4.0% convertible subordinated notes due 2007. To the extent that any net proceeds of the offering of the Notes remain after Quanta repurchases all or a portion of its 4.0% convertible subordinated notes due 2007, Quanta intends to use such remaining net proceeds for general corporate purposes. A copy of the press release is attached hereto as Exhibit 99.3.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Third Amendment to Credit Agreement dated as of April 26, 2006 among Quanta Services, Inc., the subsidiaries of Quanta Services, Inc. identified therein, Bank of America, N.A., and other Lenders identified therein
99.2	Supplemental Information
99.3	Press Release of Quanta Services, Inc. dated April 26, 2006

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Quanta's disclosure in this report on Form 8-K may include statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "project," "forecast," "may," "will," "should," "could," "expect," "believe" and other words of similar meaning. In particular, these include, but are not limited to, statements relating to the following:

- The offering and issuance of the Notes;
- The amount and use of proceeds resulting from the offering of the Notes;
- The repurchase, through a tender offer, of all or any portion of Quanta's 4.0% convertible subordinated notes due 2007;
- Projected operating or financial results; and
- Expectations regarding capital expenditures.

Any or all of these forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions and by known or unknown risks and uncertainties, including the following:

- General economic conditions;
- Volatility in the financial markets;
- Any outbreak or escalation of national or international hostilities;
- Risks relating to Quanta's offering of the Notes, including, but not limited to, the potential inability to make any required repurchase of the Notes, the unsecured and subordinated status of the Notes, and the potential lack of an active trading market for the Notes;
- Customary rights of the initial purchasers to terminate their commitment to purchase securities;
- The success of the tender offer for Quanta's 4.0% convertible subordinated notes due 2007;
- The amount of Quanta's 4.0% convertible subordinated notes due 2007 actually tendered for repurchase or actually repurchased by Quanta;
- Quanta's reported results meeting its guidance and the expectations of the market;
- The cost of borrowing, availability of credit, debt covenant compliance and other factors affecting financing activities;
- Estimates and assumptions in determining Quanta's financial results;
- Quarterly variations in operating results; and
- The potential conversion of Quanta's outstanding 4.5% convertible subordinated notes into cash and/or common stock.

All of Quanta's forward-looking statements are expressly qualified by these cautionary statements and any other cautionary statements that may accompany such forward-looking

statements or that are otherwise included in this report. In addition, Quanta does not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date of this report. For a discussion of these and other risks, uncertainties and assumptions, investors are urged to refer to Quanta's other reports filed with the Securities and Exchange Commission.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 26, 2006

QUANTA SERVICES, INC.

By: /s/ TANA L. POOL

Name: Tana L. Pool

Title: Vice President & General Counsel

Exhibit Index

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Third Amendment to Credit Agreement dated as of April 26, 2006 among Quanta Services, Inc., the subsidiaries of Quanta Services, Inc. identified therein, Bank of America, N.A., and other Lenders identified therein
99.2	Supplemental Information
99.3	Press Release of Quanta Services, Inc. dated April 26, 2006

THIRD AMENDMENT TO CREDIT AGREEMENT

THIS THIRD AMENDMENT TO CREDIT AGREEMENT dated as of April 26, 2006 (the "Amendment") is entered into among Quanta Services, Inc., a Delaware corporation (the "Borrower"), the Guarantors, the Lenders party hereto and Bank of America, N.A., as Administrative Agent. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrower, the Guarantors, the Lenders and the Administrative Agent entered into that certain Credit Agreement dated as of December 19, 2003 (as amended and modified from time to time, the "Credit Agreement"); and

WHEREAS, the Borrower has requested that the Lenders amend certain terms of the Credit Agreement as set forth below;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments. The Credit Agreement is hereby amended as follows:

(a) The word "or" at the end of clause (c) in the definition of "Change of Control" in Section 1.01 is hereby deleted and replaced with a ";;", the period at the end of clause (d) is hereby deleted and replaced with ";; or" and the following language is hereby added following clause (d) and shall read as follows:

(e) the occurrence of a "Fundamental Change" (or any comparable term) or a "Change of Control" (or any comparable term) under, and as defined in, the 2006 Convertible Subordinated Debentures Documents.

(b) The definition of "Subordinated Indebtedness" in Section 1.01 is hereby amended to read as follows:

"Subordinated Indebtedness" means the (a) unsecured Indebtedness under (i) the 2000 Subordinated Documents, as amended or modified from time to time in accordance with the terms hereof, (ii) the 2003 Convertible Subordinated Debentures, as amended or modified from time to time in accordance with the terms hereof and (iii) the 2006 Convertible Subordinated Debentures, as amended or modified from time to time in accordance with the terms hereof and (b) any other unsecured Indebtedness of the Borrower or any Subsidiary which by its terms is expressly subordinated in right of payment to the prior payment of the Obligations under this Agreement and the other Loan Documents on terms and conditions and evidenced by documentation reasonably satisfactory to the Administrative Agent.

(c) The following definitions are hereby added in Section 1.01 in the appropriate alphabetical order and shall read as follows:

"Third Amendment Effective Date" means April 26, 2006.

“2006 Convertible Subordinated Debentures” means those certain Convertible Subordinated Debentures of the Borrower to be issued pursuant to the 2006 Subordinated Indenture containing terms and conditions reasonably satisfactory to the Administrative Agent, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

“2006 Convertible Subordinated Debentures Documents” means the 2006 Convertible Subordinated Debentures, the 2006 Subordinated Indenture and all other documents executed and delivered in respect of the 2006 Convertible Subordinated Debentures and the 2006 Subordinated Indenture, in each case containing terms and conditions reasonably satisfactory to the Administrative Agent, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

“2006 Subordinated Indenture” means that certain Indenture to be entered into by the Borrower, as issuer, in fiscal year 2006 containing terms and conditions reasonably satisfactory to the Administrative Agent, as the same may be amended, modified, restated or supplemented and in effect from time to time in accordance with the terms hereof and thereof.

(d) The following sentence is hereby added at the end of Section 6.23 and shall read as follows:

The subordination provisions contained in the 2006 Convertible Subordinated Debentures Documents are enforceable against the Borrower, the Guarantors and the holders of the 2006 Convertible Subordinated Debentures, and all Obligations hereunder and under the other Loan Documents are within the definitions of “Senior Indebtedness” (or any comparable term) and “Designated Senior Indebtedness” (or any comparable term) included in such subordination provisions.

(e) Sections 8.03(l) and (m) are hereby amended to read as follows and a new Section 8.03(n) is hereby added following Section 8.03(m) to read as follows:

(l) unsecured Indebtedness of the Borrower under the 2006 Convertible Subordinated Debentures in an aggregate principal amount of up to \$200,000,000;

(m) Guarantees with respect to Indebtedness permitted under clauses (a) through (i) of this Section 8.03; and

(n) Guarantees (which Guarantees shall be similarly subordinated) with respect to Indebtedness permitted under clauses (j), (k) and (l) of this Section 8.03.

(f) The word “and” at the end of Section 8.06(b) is hereby deleted, the period at the end of Section 8.06(c) is hereby deleted and replaced with “; and” and a new Section 8.06(d) is hereby added following Section 8.06(c) and shall read as follows:

(d) in addition to the dividends and purchases, redemptions, acquisitions or retirements of Capital Stock permitted by Section 8.06(c) above, the Borrower may make dividends and purchase, redeem, acquire or retire shares of its Capital Stock of any class or any warrants or options to purchase any such shares of its Capital Stock in an

aggregate amount not to exceed \$75,000,000 subsequent to the Third Amendment Effective Date.

(g) The word “or” at the end of clause (6) in Section 8.09(a) is hereby deleted and replaced with a “;”, the period at the end of Section 8.09(a) is hereby deleted and replaced with “or” and the following language is hereby added at the end of Section 8.09(a) following clause (7) and shall read as follows:

(8) the 2006 Convertible Subordinated Debentures Documents.

(h) The first parenthetical in Section 8.12(a) is hereby amended to read as follows:

(including without limitation the 2000 Subordinated Documents, the 2003 Convertible Subordinated Debentures Documents and the 2006 Convertible Subordinated Debentures Documents)

(i) Section 8.12(b) is hereby amended to read as follows:

(b) Make (or give any notice with respect thereto) any voluntary or optional payment, prepayment, redemption or acquisition for value of (including without limitation, by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due) or any voluntary or optional refund, refinance or exchange of any Indebtedness (including without limitation the 2003 Convertible Subordinated Debentures Documents and the 2006 Convertible Subordinated Debentures Documents) of the Borrower or any Subsidiary (other than Indebtedness arising under the Loan Documents); provided, however, notwithstanding anything in this Agreement to the contrary, so long as no Default or Event of Default shall have occurred and be continuing or would occur as a result therefrom, the Borrower may prepay (and provide any notice with respect to any such prepayment) any of the Indebtedness under the 2000 Subordinated Documents.

(j) Section 8.12(c) is hereby amended to read as follows:

(c) Permit any Indebtedness of the Borrower or any Subsidiary (other than the Indebtedness arising under the Loan Documents) to be designated or identified as (i) “Designated Senior Debt” under and as defined in the 2000 Subordinated Indenture, (ii) “Designated Senior Indebtedness” under and as defined in the 2003 Subordinated Indenture or (iii) “Designated Senior Indebtedness” (or any comparable term) under and as defined in the 2006 Subordinated Indenture.

(k) The period at the end of Section 9.01(o) is hereby deleted and replaced with “; or” and a new Section 9.01(p) is hereby added following Section 9.01(o) to read as follows:

(p) 2006 Convertible Subordinated Debentures (i) There shall occur an “Event of Default” (or any comparable term) under, and as defined in, the 2006 Convertible Subordinated Debentures Documents, (ii) any of the Obligations for any reason shall cease to be “Senior Indebtedness” (or any comparable term) under, and as defined in, the 2006 Convertible Subordinated Debentures Documents, (iii) any Indebtedness other than the Obligations shall constitute “Designated Senior Indebtedness” (or any comparable term) under, and as defined in, the 2006 Convertible Subordinated Debentures Documents or (iv) the subordination provisions of the 2006 Convertible Subordinated Debentures Documents

shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the 2006 Convertible Subordinated Debentures.

(l) The following sentence is hereby added at the end of Section 11.19 and shall read as follows:

The Indebtedness evidenced by this Agreement is hereby specifically designated as "Designated Senior Indebtedness" (or any comparable term) for purposes of the 2006 Subordinated Indenture and the other 2006 Convertible Subordinated Debentures Documents.

2. Conditions Precedent. This Amendment shall be effective upon receipt by the Administrative Agent of counterparts of this Amendment duly executed by the Borrower, the Guarantors, the Lenders holding a majority of the Revolving Commitments, the Required Lenders and the Administrative Agent.

3. Miscellaneous.

(a) The Credit Agreement, as amended by this Amendment, and the obligations of the Loan Parties thereunder and under the other Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms.

(b) Each Guarantor (i) acknowledges and consents to all of the terms and conditions of this Amendment, (ii) affirms all of its obligations under the Loan Documents and (iii) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Credit Agreement or the other Loan Documents.

(c) The Borrower and the Guarantors hereby represent and warrant as follows:

(i) Each Loan Party has taken all necessary action to authorize the execution, delivery and performance of this Amendment.

(ii) This Amendment has been duly executed and delivered by the Loan Parties and constitutes each of the Loan Parties' legal, valid and binding obligations, enforceable against such Loan Parties in accordance with its terms, except as such enforceability may be subject to (x) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (y) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(iii) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by any Loan Party of this Amendment, other than those that have already been obtained and are in full force and effect.

(d) The Loan Parties represent and warrant to the Lenders that (i) the representations and warranties of the Loan Parties set forth in Article VI of the Credit Agreement and in each other Loan Document are true and correct in all material respects as of the date hereof with the same effect as if made on and as of the date hereof, except to the extent such representations and

warranties expressly relate solely to an earlier date, and except that the representations and warranties contained in subsections (a) and (b) of Section 6.05 of the Credit Agreement shall be deemed to refer to the most recent financial statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01 of the Credit Agreement, and (ii) no event has occurred and is continuing which constitutes a Default or an Event of Default.

(e) This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Amendment by telecopy shall be effective as an original and shall constitute a representation that an executed original shall be delivered.

(f) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[remainder of page intentionally left blank]

Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWER:

QUANTA SERVICES, INC.,
a Delaware corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Chief Financial Officer

GUARANTORS:

ARBY CONSTRUCTION, INC.
AUSTIN TRENCHER, INC.
CCLC, INC.
CONTI COMMUNICATIONS, INC.
CROCE ELECTRIC COMPANY, INC.
DILLARD SMITH CONSTRUCTION COMPANY
DRIFTWOOD ELECTRICAL CONTRACTORS, INC.
GLOBAL ENERCOM MANAGEMENT, INC.
GOLDEN STATE UTILITY CO.
H.L. CHAPMAN PIPELINE CONSTRUCTION, INC.
MANUEL BROS., INC.
MEARS GROUP, INC.
NETWORK ELECTRIC COMPANY
NORTH SKY COMMUNICATIONS, INC.
PARKSIDE SITE & UTILITY COMPANY
CORPORATION
PARKSIDE UTILITY CONSTRUCTION CORP.
PWR FINANCIAL COMPANY
QPC, INC.
QSI, INC.
QUANTA DELAWARE, INC.
QUANTA GOVERNMENT SERVICES, INC.
QUANTA GOVERNMENT SOLUTIONS, INC.
QUANTA LVII ACQUISITION, INC.
QUANTA LVIII ACQUISITION, INC.
QUANTA LIX ACQUISITION, INC.
QUANTA LX ACQUISITION, INC.
QUANTA LXI ACQUISITION, INC.
QUANTA LXII ACQUISITION, INC.
QUANTA LXIII ACQUISITION, INC.
QUANTA LXIV ACQUISITION, INC.
QUANTA LXV ACQUISITION, INC.,
each a Delaware corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

THIRD AMENDMENT

QUANTA LXVI ACQUISITION, INC.
QUANTA LXVII ACQUISITION, INC.
QUANTA LXVIII ACQUISITION, INC.
QUANTA LXIX ACQUISITION, INC.
QUANTA LXX ACQUISITION, INC.
QUANTA LXXI ACQUISITION, INC.
QUANTA LXXII ACQUISITION, INC.
QUANTA LXXIII ACQUISITION, INC.
QUANTA UTILITY INSTALLATION COMPANY, INC.
R.A. WAFFENSMITH & CO., INC.
SOUTHEAST PIPELINE CONSTRUCTION, INC.
SPALJ CONSTRUCTION COMPANY
SUMTER UTILITIES, INC.
TOM ALLEN CONSTRUCTION COMPANY
TTGP, INC.
TTLP, INC.
UNDERGROUND CONSTRUCTION CO., INC.
UTILITY LINE MANAGEMENT SERVICES, INC.
VCI TELCOM, INC.
W.C. COMMUNICATIONS, INC.,
each a Delaware corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

ADVANCED TECHNOLOGIES AND INSTALLATION
CORPORATION,
ALLTECK LINE CONTRACTORS (USA), INC.
POTELCO, INC.,
each a Washington corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

BRADFORD BROTHERS, INCORPORATED TTM, INC.,
each a North Carolina corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

THIRD AMENDMENT

CMI SERVICES, INC.
TRAWICK CONSTRUCTION COMPANY, INC.,
each a Florida corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

CROWN FIBER COMMUNICATIONS, INC.,
a Virginia corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

ENVIRONMENTAL PROFESSIONAL ASSOCIATES,
LIMITED,
a California corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

FIVE POINTS CONSTRUCTION CO.
MEJIA PERSONNEL SERVICES, INC.
SOUTHWEST TRENCHING COMPANY, INC.
each a Texas corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

INTERMOUNTAIN ELECTRIC, INC.,
a Colorado corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

THIRD AMENDMENT

IRBY CONSTRUCTION COMPANY,
a Mississippi corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

METRO UNDERGROUND SERVICES, INC. OF ILLINOIS,
PROFESSIONAL TELECONCEPTS, INC.,
each an Illinois corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

PAR ELECTRICAL CONTRACTORS, INC.,
a Missouri corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

PROFESSIONAL TELECONCEPTS, INC.,
a New York corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

THE RYAN COMPANY, INC.,
a Massachusetts corporation

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

QDE, LLC,
a Delaware limited liability company

By: PWR Financial Company, Its Sole Member

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

THIRD AMENDMENT

QUANTA ASSET MANAGEMENT LLC,
a Delaware limited liability company

By: QSI, Inc., Its Sole Member

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

TOTAL QUALITY MANAGEMENT SERVICES, LLC,
a Delaware limited liability company

By: Environmental Professional Associates,
Limited, Its Sole Member

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

QUANTA UTILITY SERVICES, LLC,
a Delaware limited liability company

By: Mejia Personnel Services, Inc.,
Its Sole Member

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

THIRD AMENDMENT

TJADER, L.L.C.
OKAY CONSTRUCTION COMPANY, LLC
each a Delaware limited liability company

By: Spalj Construction Company,
Its Sole Member

By: /s/ James H. Haddox

Name: James H. Haddox
Title: Vice President

MEARS/CPG LLC
MEARS ENGINEERING/ LLC
MEARS/HDD, LLC
MEARS SERVICES LLC
each a Michigan limited liability company

By: Mears Group, Inc., The Sole Member of each of the foregoing
limited liability companies

By: /s/ James H. Haddox

Name: James H. Haddox
Title: Vice President

S.K.S. PIPELINERS, LLC,
a Delaware limited liability company

By: Arby Construction, Inc., Its Sole Member

By: /s/ James H. Haddox

Name: James H. Haddox
Title: Vice President

TNS-VA, LLC,
a Delaware limited liability company

By: Professional Teleconcepts, Inc., Its Sole Member

By: /s/ James H. Haddox

Name: James H. Haddox
Title: Vice President

THIRD AMENDMENT

NORTH HOUSTON POLE LINE, L.P.
LINDSEY ELECTRIC, L.P.
DIGCO UTILITY CONSTRUCTION, L.P.
each a Texas limited partnership

By: Mejia Personnel Services, Inc., Its General Partner

By: /s/ James H. Haddox

Name: James H. Haddox

Title: Vice President

QUANTA SERVICES MANAGEMENT PARTNERSHIP, L.P.
QUANTA ASSOCIATES, L.P.
each a Texas limited partnerships

By: QSI, Inc., Its General Partner

By: /s/ James H. Haddox

Name: James H. Haddox

Title: Vice President

TRANS TECH ELECTRIC, L.P.,
a Texas limited partnership

By: TTGP, Inc., Its General Partner

By: /s/ James H. Haddox

Name: James H. Haddox

Title: Vice President

PWR NETWORK, LLC,
a Delaware limited liability company

By: PWR Financial Company, Its Sole Member

By: /s/ James H. Haddox

Name: James H. Haddox

Title: Vice President

THIRD AMENDMENT

QUANTA RECEIVABLES, LP,
a Delaware limited partnership

By: PWR Network, LLC, Its General Partner

By: PWR Financial Company, its Sole Member

By: /s/ James H. Haddox
Name: James H. Haddox
Title: Vice President

THIRD AMENDMENT

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Suzanne M. Paul
Name: Suzanne M. Paul
Title: Vice President

LENDERS:

BANK OF AMERICA, N.A.,
as a Lender, Swing Line Lender, L/C Issuer and
Credit-Linked L/C Issuer

By: /s/ Gary L. Mingle
Name: Gary L. Mingle
Title: Senior Vice President

THIRD AMENDMENT

LENDERS:

LANDMARK III CDO LIMITED

By: Aladdin Capital Management LLC
as Manager

By: /s/ Angela Bozorgmir

Name: Angela Bozorgmir
Title: Director

LANDMARK II CDO LIMITED

By: Aladdin Capital Management LLC
as Manager

By: /s/ Angela Bozorgmir

Name: Angela Bozorgmir
Title: Director

LANDMARK I CDO LIMITED

By: Aladdin Capital Management LLC
as Manager

By: /s/ Angela Bozorgmir

Name: Angela Bozorgmir
Title: Director

BALLANTYNE FUNDING LLC

By: /s/ M. Cristina Higgins

Name: M. Cristina Higgins
Title: Assistant Vice President

SEMINOLE FUNDING LLC

By: /s/ M. Cristina Higgins

Name: M. Cristina Higgins
Title: Assistant Vice President

Hanover Square CLO Ltd.

By: Blackstone Debt Advisors L.P.
As Collateral Manager

By: /s/ Dean T. Criares

Name: Dean T. Criares
Title: Senior Managing Director

THIRD AMENDMENT

Union Square CDO Ltd.
By: Blackstone Debt Advisors L.P.
As Collateral Manager

By: /s/ Dean T. Criares
Name: Dean T. Criares
Title: Senior Managing Director

Monument Park CDO Ltd.
By: Blackstone Debt Advisors L.P.
As Collateral Manager

By: /s/ Dean T. Criares
Name: Dean T. Criares
Title: Senior Managing Director

Prospect Park CDO Ltd.
By: Blackstone Debt Advisors L.P.
As Collateral Manager

By: /s/ Dean T. Criares
Name: Dean T. Criares
Title: Senior Managing Director

Oppenheimer Senior Floating Rate Fund

By: /s/ Paul Snogren
Name: Paul Snogren
Title: Manager

HarbourView CLO IV, Ltd.

By: /s/ Paul Snogren
Name: Paul Snogren
Title: Manager

HarbourView CLO V, Ltd.

By: /s/ Paul Snogren
Name: Paul Snogren
Title: Manager

THIRD AMENDMENT

FRANKLIN FLOATING RATE DAILY ACCESS
FUND

By: /s/ Richard Hsu
Name: Richard Hsu
Title: Asst. Vice President

FRANKLIN FLOATING RATE MASTER SERIES

By: /s/ Richard Hsu
Name: Richard Hsu
Title: Asst. Vice President

LightPoint CLO 2004-I, Ltd.

By: /s/ Colin Donlan
Name: Colin Donlan
Title: Director

Gulf Stream-Compass CLO 2002-1 Ltd.
By: Gulf Stream Asset Management LLC
As Collateral Manager

By: /s/ Barry K. Love
Name: Barry K. Love
Title: Chief Credit Officer

Gulf Stream-Compass CLO 2003-1 Ltd.
By: Gulf Stream Asset Management LLC
As Collateral Manager

By: /s/ Barry K. Love
Name: Barry K. Love
Title: Chief Credit Officer

Gulf Stream-Compass CLO 2005-1 Ltd.
By: Gulf Stream Asset Management LLC
As Collateral Manager

By: /s/ Barry K. Love
Name: Barry K. Love
Title: Chief Credit Officer

THIRD AMENDMENT

IKB Capital Corporation

By: /s/ David Snyder

Name: David Snyder

Title: President

FOUR CORNERS CLO 2005-I, LTD.

By: Four Corners Capital Management LLC,
As Collateral Manager

By: /s/ Vijay Srinivasan

Name: Vijay Srinivasan

Title: Vice President

FORTRESS PORTFOLIO TRUST

By: Four Corners Capital Management LLC,
As Investment Manager

By: /s/ Vijay Srinivasan

Name: Vijay Srinivasan

Title: Vice President

FIRST TRUST/FOUR CORNERS SENIOR
FLOATING RATE INCOME FUND II

By: Four Corners Capital Management LLC,
As Sub-Adviser

By: /s/ Vijay Srinivasan

Name: Vijay Srinivasan

Title: Vice President

TRIMERAN CLO IV LTD.

By: Trimeran Advisors L.L.C.

By: /s/ David M. Millban

Name: David M. Millban

Title: Managing Director

THIRD AMENDMENT

BLACK DIAMOND CLO 2005-2 LTD.
By: Black Diamond Capital Management, L.L.C.
as its Collateral Manager

By: /s/ James J. Zenni, Jr.
Name: James J. Zenni, Jr.
Title: President & Managing Partner

BLACK DIAMOND INTERNATIONAL FUNDING
LTD.

By: /s/ Alan Corkish.
Name: Alan Corkish
Title: Director

KZH PONDVIEW LLC

By: /s/ Wai Kee Lee
Name: Wai Kee Lee
Title: Authorized Agent

JPMORGAN CHASE BANK, N.A.

By: /s/ R.. Michael Arnett
Name: R. Michael Arnett
Title: Vice President

The Sumitomo Trust & Banking Co., Ltd.

By: /s/ Elizabeth A. Quirk
Name: Elizabeth A. Quirk
Title: Vice President

THIRD AMENDMENT

References below to “we,” “us” and “our” refer to *Quanta Services, Inc.* and its subsidiaries.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2005, (1) on an actual basis, (2) on an as adjusted basis giving effect to the sale of our convertible subordinated notes due 2026 and (3) on an as adjusted basis giving effect to the sale of these notes and assuming the repurchase of all of our outstanding \$172.5 million principal amount of 4.0% convertible subordinated notes through a tender offer. The following table assumes the initial purchasers do not exercise their option to purchase up to an additional \$18.75 million aggregate principal amount of the convertible subordinated notes due 2026.

	As of December 31, 2005		
	Actual	As Adjusted For this Offering	As Adjusted For this Offering and the Tender Offer
		(dollars in thousands)	
Cash and cash equivalents	\$ 304,267	\$ 425,687	\$ 259,556(3)
Long-term debt (including current maturities):			
Existing credit facility(1)	\$ 7,500	\$ 7,500	\$ 7,500
% convertible subordinated notes due 2026	—	125,000	125,000
4.5% convertible subordinated notes due 2023	270,000	270,000	270,000
4.0% convertible subordinated notes due 2007	172,500	172,500	—(3)
Other debt	2,343	2,343	2,343
Total long-term debt (including current maturities)	452,343	577,343	404,843
Stockholders' equity:			
Common Stock, \$.00001 par value, 300,000,000 shares authorized, 118,771,776 shares issued and 117,153,038 outstanding(2)	—	—	—
Limited Vote Common Stock, \$.00001 par value, 3,345,333 shares authorized, 1,011,780 shares issued and outstanding	—	—	—
Additional paid-in capital	1,096,795	1,096,795	1,096,795
Deferred compensation	(6,448)	(6,448)	(6,448)
Retained deficit	(369,122)	(369,122)	(366,022)(4)
Treasury stock, 1,618,738 shares, at cost	(17,487)	(17,487)	(17,487)
Total stockholders' equity	703,738	703,738	706,838
Total capitalization	\$ 1,156,081	\$ 1,281,081	\$ 1,111,681

- (1) As of December 31, 2005, we had \$142.6 million of letters of credit outstanding under our credit facility. We are currently engaging in discussions with Banc of America Securities LLC to arrange for and syndicate an amendment or replacement of our existing credit facility with an amended and restated or replacement senior secured credit facility.
- (2) The number of shares issued and outstanding does not include (a) shares issuable upon conversion of the convertible subordinated notes due 2026 or any of our other outstanding convertible subordinated notes and (b) approximately 0.9 million shares issuable upon the exercise of outstanding stock options as of December 31, 2005.

- (3) Assumes that all of our outstanding 4.0% convertible subordinated notes are repurchased through the tender offer that we intend to commence as soon as practicable after the consummation of the offering of our convertible subordinated notes due 2026 at an assumed purchase price equal to \$960 per \$1,000 principal amount of the notes (net of offering costs). This assumed purchase price equals the trading price of the 4.0% convertible subordinated notes as of the close of business on April 24, 2006. Some or all of the 4.0% convertible subordinated notes may not be tendered for repurchase by the holders or repurchased by us and accordingly we cannot be certain as to the balance of the 4.0% convertible subordinated notes that will be outstanding after the completion of the tender offer.
- (4) Retained deficit as adjusted for this offering and the tender offer increased \$3.1 million, net of tax, due to the gain assumed in the repurchase of all of our outstanding 4.0% convertible subordinated notes based on the assumed repurchase price discussed in note (3), offset by charges associated with the write off of deferred financing costs relating to the repurchase of all of our outstanding 4.0% convertible subordinated notes.

**PRESS RELEASE****06-06****FOR IMMEDIATE RELEASE**

Contacts: James Haddox, CFO
Reba Reid
Quanta Services, Inc.
713-629-7600

Ken Dennard / ksdennard@drg-e.com
Lisa Elliott / lelliott@drg-e.com
DRG&E
713-529-6600

**QUANTA SERVICES ANNOUNCES OFFERING OF \$125 MILLION
OF CONVERTIBLE SUBORDINATED NOTES**

Houston — April 26, 2006 — Quanta Services, Inc. (NYSE:PWR) today announced the offering of \$125 million aggregate principal amount of its 3.75% convertible subordinated notes due 2026 in a private placement pursuant to Rule 144A under the Securities Act of 1933, as amended. The initial purchasers of the notes also have the option to purchase up to an additional \$18.75 million aggregate principal amount of the notes. The offering is expected to close on or about May 3, 2006, subject to customary closing conditions.

Subject to the satisfaction of certain conditions, the notes will be convertible into shares of Quanta Services common stock, or, at the option of the company, cash or a combination of cash and shares of Quanta Services common stock, at an initial conversion rate based on 135% of the closing sale price of Quanta's common stock on April 26, 2006, subject to adjustment. The notes will mature on April 30, 2026, and interest on the notes will be payable at the rate of 3.75% per annum on April 30 and October 30 of each year, beginning on October 30, 2006. Beginning on April 30, 2010, the company may redeem some or all of the notes for cash. In addition, on April 30, 2013, 2016 and 2021 and upon a change in control of the company prior to April 30, 2013, holders may require the company to repurchase their notes for cash. The notes will be unsecured and will be subordinated in right of payment to the company's senior indebtedness.

Quanta Services intends to use the net proceeds of the offering, together with existing cash, to repurchase, through a tender offer, all or a portion of the company's \$172.5 million principal amount of 4.0% convertible subordinated notes, which mature on July 1, 2007. To the extent that any net proceeds remain after the repurchases of the 4.0% convertible subordinated notes, the company intends to use these remaining proceeds for general corporate purposes.

- more -

The company intends to commence a tender offer to purchase all of its outstanding 4.0% convertible subordinated notes as soon as practicable following the consummation of the offering of the notes. The terms of the tender offer will be announced by the company at the time the tender offer is commenced.

The notes have been offered only to qualified institutional buyers in reliance on Rule 144A under the Securities Act. Neither the issuance of the notes nor the shares of common stock issuable upon conversion of the notes have been registered under the Securities Act or any state securities laws. Unless so registered, the notes and the shares of common stock issuable upon conversion of the notes may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. This press release does not constitute an offer to sell, or the solicitation of or an offer to buy, the notes or any other securities.

The tender offer for the company's 4.0% convertible subordinated notes due 2007 will be made solely by, and subject to, the terms and conditions set forth in a Schedule TO (including an offer to purchase, related letter of transmittal and other tender offer documents) that will be filed with the Securities and Exchange Commission (the "SEC"). The Schedule TO will contain important information and should be read carefully before any decision is made with respect to the tender offer. Once the Schedule TO and other documents are filed with the SEC, they will be available free of charge on the SEC's website at www.sec.gov, on the company's website at www.quantaservices.com or by contacting the company's Corporate Secretary at (713) 629-7600.

Quanta Services, Inc. is a leading provider of specialized contracting services, delivering end-to-end network solutions for electric power, gas, telecommunications and cable television industries. The company's comprehensive services include designing, installing, repairing and maintaining network infrastructure nationwide.

This press release contains forward-looking statements intended to qualify for the "safe harbor" from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements relating to the offering and the consummation thereof, the issuance of the notes, the amount and use of proceeds, the tender offer for the 4.0% convertible subordinated notes, strategies, expectations, intentions, plans, future events, performance, underlying assumptions, and other statements that do not relate strictly to historical or current facts. Although Quanta's management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. These statements can be affected by inaccurate assumptions and by a variety of risks and uncertainties, including, among others, general economic conditions, volatility in the financial markets, any outbreak or escalation of national or international hostilities, customary rights of the initial purchasers to terminate their commitment to purchase securities, the success of the tender offer for the 4.0% convertible subordinated notes and the amount of any such notes actually tendered for repurchase or actually repurchased by the company, the company's reported results meeting the company's guidance and the expectations of the market, and other risks, including risks related to Quanta's operations and financial condition, detailed in Quanta's Annual Report on Form 10-K for the year ended December 31, 2005 and any other reports of the company filed with the Securities and Exchange Commission. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied in any forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which are current only as of this date. Quanta does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For a discussion of these risks, uncertainties and assumptions, investors are urged to refer to Quanta's reports filed with the Securities and Exchange Commission.

###