UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-Q

(Mark one)
[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended January 31, 2000

or

[ ] Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from __________________ to ________________________

COMMISSION FILE NUMBER 0-6050

POWELL INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

NEVADA	88-0106100
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8550 Mosley Drive, Houston, Texas	77075-1180
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (713) 944-6900

Indicate by "X" whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Common Stock, par value $.01 per share; 10,613,000 shares outstanding on January 31, 2000.

Powell Industries, Inc. and Subsidiaries

Part I - Financial Information

POWELL INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	JANUARY 31, 2000	OCTOBER 31, 1999
ASSETS	(UNAUDITED)	
Current Assets:		
Cash and cash equivalents	$ 7,600	$ 10,646
Accounts receivable, less allowance for doubtful accounts of $897 and $852, respectively	39,961	43,003
Costs and estimated earnings in excess of billings	21,490	16,191
Inventories	18,772	15,173
Deferred income taxes	1,612	1,028
Prepaid expenses and other current assets	2,332	1,795
Total Current Assets	91,767	87,836
Property, plant and equipment, net	32,772	33,286
Deferred income taxes	337	1,316
Other assets	5,321	5,093
Total Assets	$ 130,197	$ 127,531
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ 1,429	$ 2,429
Accounts and income taxes payable	13,701	9,911
Accrued salaries, bonuses and commissions	4,897	5,447
Accrued product warranty	1,238	1,335
Other accrued expenses	4,558	4,727
Billings in excess of costs and estimated earnings	4,421	4,205
Total Current Liabilities	30,244	28,054
Long-term debt, net of current maturities	6,787	7,143
Deferred compensation expense	1,186	1,127
Postretirement benefits liability	393	435
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, par value $.01; 5,000 shares authorized; none issued		
Common stock, par value $.01; 30,000 shares authorized; 10,694 and 10,675 shares issued	107	107
Additional paid-in capital	6,074	6,043
Retained earnings	88,666	87,364
Treasury stock (81 shares at cost)	(574)	--
Deferred compensation-ESOP	(2,686)	(2,742)
Total Stockholders' Equity	91,587	90,772
Total Liabilities and Stockholders' Equity	$ 130,197	$ 127,531

The accompanying notes are an integral part of these consolidated financial statements.

POWELL INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED JANUARY 31, 2000	1999
Revenues	$ 49,490	$ 54,134
Cost of goods sold	40,449	43,202
Gross profit	9,041	10,932
Selling, general and administrative expenses	7,126	7,511
Earnings from operations before interest and income taxes	1,915	3,421
Interest expense (income), net	(57)	136
Earnings from operations before income taxes	1,972	3,285
Income tax provision	668	1,107
Net earnings	$ 1,304	$ 2,178
Net earnings per common share:		
Basic	$ .12	$ .20
Diluted	.12	.20
Weighted average number of common shares outstanding	10,657	10,659
Weighted average number of common and common equivalent shares outstanding	10,715	10,733

The accompanying notes are an integral part of these consolidated financial statements.

POWELL INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(IN THOUSANDS)

	THREE MONTHS ENDED JANUARY 31, 2000	1999
Operating Activities:		
Net earnings	$ 1,304	$ 2,178
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	1,212	1,082
Deferred income tax provision	396	322
Postretirement benefits liability	(42)	(12)
Changes in operating assets and liabilities:		
Accounts receivable, net	3,042	(4,326)
Costs and estimated earnings in excess of billings	(5,299)	1,584
Inventories	(3,599)	(1,504)
Prepaid expenses and other current assets	(537)	(1,608)
Other assets	(228)	(267)
Accounts payable and income taxes payable or receivable	3,790	(977)
Accrued liabilities	(816)	(2,844)
Billings in excess of costs and estimated earnings	216	2,533
Deferred compensation expense	59	42
Net cash used in operating activities	(502)	(3,797)
Investing Activities:		
Purchases of property, plant and equipment	(643)	(850)
Net cash used in investing activities	(643)	(850)
Financing Activities:		
Borrowings of long-term debt	--	10,600
Repayment of long-term debt	(1,357)	(4,386)
Payments to reacquire common stock	(574)	--
Exercise of stock options	30	22
Net cash provided by (used in) financing activities	(1,901)	6,236
Net increase (decrease) in cash and cash equivalents	(3,046)	1,589
Cash and cash equivalents at beginning of period	10,646	601
Cash and cash equivalents at end of period	$ 7,600	$ 2,190

Supplemental disclosure of cash flow information (in thousands):

	2000	1999
Cash paid during the quarter for:		
Interest	$ 157	$ 213
Income taxes	--	--

The accompanying notes are an integral part of these consolidated financial statements.

Part I
Item 1

POWELL INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of management, reflect all adjustments which are of a normal recurring nature necessary for a fair presentation of financial position, results of operations, and cash flows. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's October 31, 1999 annual report on Form 10-K.

In June 1998 the Financial Accounting Standards Board (FASB) issued SFAS No. 133 - Accounting for Derivative Instruments and Hedging Activities". In June 1999, the FASB issued SFAS 137, which amended the effective adoption date of SAFS 133. This statement establishes accounting and reporting standards for derivative instruments, including derivative instruments embedded in other contracts, and for hedging activities. The statement, as amended and which is to be applied prospectively, is effective for the Company's quarter ending January 31, 2001. The Company is currently evaluating the impact of SFAS No. 133 on its future results of operations and financial position.

On December 3, 1999 the United States Securities and Exchange Commission staff released Staff Accounting Bulletin (SAB) No. 101, Revenue Recognition, to provide guidance on the recognition, presentation and disclosure of revenue in financial statements. The Company reviewed its revenue recognition procedures and is satisfied that it is in compliance with this SAB.

B. INVENTORY

The components of inventory are summarized below (in thousands):

	January 31, 2000 (unaudited)	October 31, 1999
Raw materials and subassemblies	$ 11,589	$ 9,058
Work-in-process	7,183	6,115
Total inventories	$ 18,772	$ 15,173

C. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is summarized below (in thousands):

	January 31, 2000 (unaudited)	October 31, 1999
Land	$ 3,193	$ 3,193
Buildings and improvements	30,706	30,638
Machinery and equipment	30,913	30,409
Furniture & fixtures	3,889	4,464
Construction in process	1,011	1,035
	69,712	69,739
Less-accumulated depreciation	(36,940)	(36,453)
Total property, plant and equipment, net	$ 32,772	$ 33,286

D. PRODUCTION CONTRACTS

For contracts for which the percentage-of-completion method is used, costs and estimated earnings in excess of billings are shown as a current asset and billings in excess of costs and estimated earnings are shown as a current liability. The components of these contracts are as follows (in thousands):

	January 31, 2000 (unaudited)	October 31, 1999
Costs and estimated earnings	$ 80,857	$ 79,723
Progress billing	(59,347)	(63,532)
Total costs and estimated earnings in excess of billings	$ 21,490	$ 16,191
Progress billings	$ 71,817	$ 89,146
Costs and estimated earnings	(67,396)	(84,941)
Total billings in excess of costs and estimated earnings	$ 4,421	$ 4,205

E. EARNINGS PER SHARE (unaudited)

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	Three Months Ended January 31, 2000	1999
Numerator:		
Numerator for basic and diluted earnings per share-earnings from continuing operations available to common stockholders	$ 1,304	$ 2,178
Denominator:		
Denominator for basic earnings per share-weighted average shares	10,657	10,659
Effect of dilutive securities-employee stock options	58	74
Denominator for diluted earnings per share-adjusted weighted-average shares assumed conversions	10,715	10,733
Basic earning per share	$ 0.12	$ 0.20
Diluted earnings per share	$ 0.12	$ 0.20

F. BUSINESS SEGMENTS (unaudited)

The Company has three reportable segments: 1. Switchgear and related equipment and service (Switchgear) for distribution, control and management of electrical energy, 2. Bus duct products (Bus Duct) for distribution of electric power, and 3. Process Control Systems which consists principally of instrumentation, computer control, communications and data management systems for the control of dynamic processes.

The tables below reflect certain information relating to the Company's operations by segment. Substantially all revenues represent sales to unaffiliated customers. The accounting policies of the segments are the same as those described in the summary of significant accounting policies as discussed in the Company's annual report on Form 10K for year ended October 31, 1999. For purposes of this presentation, all general corporate expenses have not been allocated between operating segments. In addition, the corporate assets are mainly cash and cash equivalents transferred to the corporate office are based on use of funds.

The required disclosures for the business segments are set forth below (in thousands):

	Three Months Ended January 31, 2000	1999
Revenues		
Switchgear	$ 35,383	$ 41,527
Bus Duct	6,828	6,240
Process Control Systems	7,279	6,367
Total Revenues	$ 49,490	$ 54,134
Earnings from operations before income taxes		
Switchgear	791	$ 2,282
Bus Duct	995	1,088
Process Control Systems	157	248
Corporate and other	28	(333)
Total earnings from operations before income taxes	$ 1,972	$ 3,285

	January 31, 2000	October 31, 1999
Assets		
Switchgear	$ 89,104	$ 85,157
Bus Duct	14,808	14,764
Process Control Systems	12,808	10,997
Corporate and other	13,477	16,613
Total Assets	$130,197	$127,531

Part I
Item 2

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

RESULTS OF OPERATIONS

The following table sets forth, as a percentage of revenues, certain items from the Consolidated Statements of Operations.

Quarters ended January 31	2000	1999
Revenues	100.0%	100.0%
Gross Profit	18.3	20.2
Selling, general and administrative expenses	14.4	13.9
Interest expense (income), net	(0.1)	0.2
Earnings from operations before income taxes	4.0	6.1
Income tax provision	1.4	2.1
Net earnings	2.6	4.0

Revenues for the quarter ended January 31, 2000 were down 8.6 percent to $49,490,000 from $54,134,000 in the first quarter of last year. The decrease in revenues was mainly in the international markets, primarily consisting of sales decreases from the Switchgear business segment, offset by increases in the Process Control Systems and Bus Duct business segments. Export revenues continue to be an important component of the Company's operations, accounting for $13,789,000 for the three months ending January 31, 2000, although down when compared to $23,581,000 for the same period of 1999. Lower shipments to the middle east mainly accounted for this reduction of export revenues in 2000.

Gross profit, as a percentage of revenues, was 18.3 percent and 20.2 percent for the quarter ended January 31, 2000 and 1999, respectively. The lower percentages in 2000 were mainly due to the decline volume of the Switchgear business segment and lower prices from the domestic markets.

Selling, general and administrative expenses as a percentage of revenues were 14.4 percent and 13.9 percent for the quarter ended January 31, 2000 and 1999, respectively. The increase in percentages reflects the decreased volume of revenues.

Interest expense (income), net The following schedule shows the amounts for interest expense and income:

	Three months ended January 31, 2000	Three months ended January 31, 1999
Expense	$ 157	$ 213
Income	(214)	(77)
Net	$ (57)	$ 136

Sources of interest expense in fiscal year 1999 and 1998 were primarily related to bank notes payable at rates between 6 and 8%. Sources of the interest income were related to notes receivable and short-term investment of available funds at various rates between 4 and 7%.

Income tax provision The effective increase tax rate on earnings was 33.9 percent and 33.7 percent for the quarter ended January 31, 2000 and 1999, respectively. The small increase was primarily due to lower estimated foreign sales corporation credits compared to the prior year. This effective tax rate difference should be a timing difference and the effective rate should finish the year at approximately 32 to 33 percent which is more consistent with past years.

Net Earnings were $1,304,000 or $.12 per share for the first quarter of fiscal 2000, a decrease from $2,178,000 or $.20 per share for the same period last year. The decrease was mainly due to lower gross margins in the Switchgear business segment.

Backlog the order backlog at January 31, 2000 was $165,273,000 million, compared to $156,143,000 million at October 31, 1999. The increase in backlog was in all business segments.

LIQUIDITY AND CAPITAL RESOURCES
In September 1998, the Company amended a revolving line of credit agreement with a major domestic bank. The amendment provided for a $10,000,000 term loan and a revolving line of credit of $20,000,000. In December 1999 the revolving line of credit was amended to reduce the line to $15,000,000 and to extend the maturity date to February 2002. The term of the loan was five years with four years remaining. The effective interest rate, after including an interest rate swap negotiated with the trust company of the same domestic bank, is 5.20 percent per annum plus a .75 to 1.25 percent fee based on financial covenants. As of January 31, 2000, the Company had no borrowings outstanding under this revolving line of credit.

The Company's ability to satisfy its cash requirements is evaluated by analyzing key measures of liquidity applicable to the Company. The following table is a summary of the measures which are significant to management:

	January 31, 2000	October 31, 1999
Working Capital	$61,523,000	$59,782,000
Current Ratio	3.03 to 1	3.13 to 1
Long-term Debt to Capitalization	.1 to 1	.1 to 1

Management believes that the Company continues to maintain a strong liquidity position. The increase in working capital at January 31, 2000, as compared to October 31, 1999, is due mainly to an increases in costs and estimated earnings in excess of billings and inventories.

Cash and cash equivalents decreased by $3,046,000 during the three months ended January 31, 2000. The primary use of cash during this period was for the increase of costs and estimated earnings in excess of billings and inventories. The decrease in net borrowings for the quarter was the results of payments of a term note and a quarter payment on the bank note.

The Company has a stock repurchase plan under which the Company is authorized to spend up to $5,000,000 million for purchases of its common stock. Pursuant to this plan, the Company repurchased 81,000 shares of its common stock at an aggregate cost of approximately $574,000 at January 31, 2000. Repurchased shares are added to treasury stock and are available for general corporate purposes including the funding of the Company's employee stock option plan.

The Company's fiscal 2000 asset management program will continue to focus on the collection of receivables and reduction in inventories. The Company plans to satisfy its fiscal 2000 capital requirements and operating needs primarily with funds available in cash and cash equivalents of $7,600,000 funds generated from operating activities and funds available under its existing revolving credit line.

The previous discussion should be read in conjunction with the consolidated financial statements.

Year 2000 Readiness
The Year 2000 readiness issue results from the historical use in computer software programs and operating systems of a two digit number to represent the year. Concerns arose as to whether certain software and hardware would fail to properly function when confronted with dates that contain "00" as a two-digit year. To address the potential risk for disruption of operations, each subsidiary of the Company developed a compliance plan and conducted numerous tests as to the effectiveness of applied solutions. The costs to the Company to achieve Year 2000 readiness were approximately $150,000.

To date, the Company has not experienced any material problems relating to the Year 2000 readiness issue. However, the Company may not have yet experienced all factors that might have Year 2000 readiness implications.

Any forward looking statements in the preceding paragraphs of this Form 10-Q are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward looking statements involve risks and uncertainty in that actual results may differ materially from those projected in the forward looking statements. These risks and uncertainties include, without limitation, difficulties which could arise in obtaining materials or components in sufficient quantities as needed for the Company's manufacturing and assembly operations, unforeseen political or economic problems in countries to which the Company exports its products in relation to the Company's principal competitors, any significant decrease in the Company's backlog of orders, any material employee relations problems, or any material litigation or claims made against the Company, as well as general market conditions, competition and pricing.

Part 1
Item 3

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company's financial instruments include cash and equivalents, accounts receivable, accounts payable, debt obligations and interest rate swaps. The book value of cash and cash equivalents, accounts receivable, the short-term note payable and accounts payable are considered to be representative of fair value because of the short maturity of these instruments. The Company believes that the carrying value of its borrowings under the credit agreement approximate their fair value as they bear interest at rates indexed to the Bank's IBOR. The Company's accounts receivable are not concentrated in one customer or one industry and are not viewed as an unusual credit risk. The Company had recorded an allowance for doubtful accounts of $897,000 at January 31, 2000 and $852,000 at October 31, 1999, respectively.

The interest rate swap agreement, which is used by the Company in the management of interest rate exposure is accounted for on the accrual basis. Income and expense resulting from this agreement is recorded in the same category as interest expense accrued on the related term note. Amounts to be paid or received under the interest rate swap agreement is recognized as an adjustment to expense in the periods in which they occur.

At January 31, 2000 the Company had $8,216,000 in borrowings subject to the interest rate swap at a rate of 5.20% through September 30, 2003. The 5.20% rate is currently approximately .8% below market and should represent approximately $85,000 of reduced interest expense for fiscal year 2000 assuming the current market interest rates do not change. The approximate fair value of the swap agreement at January 31, 2000 is $365,000. The fair value is the estimated amount the Company would receive to terminate the contract. The agreements require that the Company pay the counterparty at the above fixed swap rate and requires the counterparty to pay the Company interest at the 90 day LIBOR rate. The closing 90 day LIBOR rate on January 31, 2000 was 6.04%.

Part II

OTHER INFORMATION

ITEM 1. Legal Proceedings
The Company is a party to disputes arising in the ordinary course of business. Management does not believe that the ultimate outcome of these disputes will materially affect the financial position of results of operations of the Company.

ITEM 2. Changes in Securities and Use of Proceeds
None

ITEM 3. Defaults Upon Senior Securities
Not applicable

ITEM 4. Submission of Matters to a Vote of Security Holders
None

ITEM 5. Other Information
None

ITEM 6. Exhibits and Reports on Form 8-K
a. Exhibits None

27.0 Financial Data Schedule

b. Reports on Form 8-K
None

SIGNATURES

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 thereunto duly authorized.

POWELL INDUSTRIES, INC.
Registrant

March 16, 2000	/s/ THOMAS W. POWELL
Date	Thomas W. Powell President and Chief Executive Officer (Principal Executive Officer)
March 16, 2000	/s/ J.F. AHART
Date	J.F. Ahart Vice President, Secretary-Treasurer Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
27	Financial Data Schedule

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM THE COMPANY'S UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED JANUARY 31, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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OCT-31-2000
JAN-31-2000
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18,772
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