

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 1934DATE OF REPORT
(DATE OF EARLIEST EVENT REPORTED)

SEPTEMBER 2, 1998

POWELL INDUSTRIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)STATE OR OTHER
JURISDICTION
OF INCORPORATION:COMMISSION
FILE NUMBER:IRS EMPLOYER
IDENTIFICATION
NUMBER:

NEVADA

0-6050

NO. 88-0106100

8550 MOSLEY DRIVE
HOUSTON, TEXAS 77075-1180
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)REGISTRANT'S TELEPHONE NUMBER,
INCLUDING AREA CODE - (713) 944-6900

ITEM 5. OTHER EVENTS.

On September 2, 1998, the Registrant signed a Settlement Agreement with National Westminster Bank plc ("NatWest") to settle all litigation between them regarding completion of a cogeneration project at MacDill Air Force Base in Florida. Under the terms of the Settlement Agreement, the Registrant will pay NatWest \$8 million, \$7 million of which will be paid at closing. The remaining \$1 million, together with interest at 3% per annum, will be due on December 31, 1999. Provided that the Registrant is satisfied with certain due diligence, the settlement is expected to be closed on or before September 10, 1998.

The Registrant will record a charge of approximately \$4.7 million net of tax to discontinued operations in its fiscal quarter ended July 31, 1998 in connection with this settlement. The additional amount payable under the Settlement Agreement (net of tax) was accrued in prior periods for anticipated litigation expense.

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 hereunto duly authorized.

POWELL INDUSTRIES, INC.
(Registrant)

/s/ J. F. Ahart

J. F. Ahart,
Vice President, Chief Financial
Officer and Secretary

Dated: September 2, 1998