

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

FORM 10-Q

(Mark one)

- Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended April 30, 1995
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 (I.R.S. Employer
incorporation or organization) 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 No

Common Stock, par value \$.01 per share; 10,542,704 shares outstanding on April 30, 1995.

POWELL INDUSTRIES, INC.

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Powell Industries, Inc. and Subsidiaries
Consolidated Balance Sheets
(In Thousands, Except Share Data)

Assets	APRIL 30, 1995 (UNAUDITED)	OCTOBER 31, 1994
	-----	-----
Current Assets:		
Cash and cash equivalents	\$ 1,238	\$ 7,598
Accounts receivable, less allowance for doubtful accounts of \$851 and \$1,061, respectively	36,544	33,976
Costs and estimated earnings in excess of billings	11,074	7,338
Inventories	19,301	14,899
Deferred income taxes	2,421	2,134
Prepaid expenses and other current assets	1,982	1,327
	-----	-----
Total Current Assets	72,560	67,272
Property, plant and equipment, net	16,017	15,659
Deferred income taxes, noncurrent	1,518	1,390
Other assets	5,771	6,423
	-----	-----
Total Assets	\$ 95,866	\$ 90,744
	=====	=====
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts and income taxes payable	\$ 11,917	\$ 9,217
Accrued salaries, bonuses and commissions	3,713	4,612
Accrued product warranty	3,119	3,679
Other accrued expenses	4,242	5,372
Billings in excess of costs and estimated earnings	4,647	2,350
Current maturities of long-term debt	2,813	2,813
	-----	-----
Total Current Liabilities	30,451	28,043
Long-term debt	6,563	6,563
Deferred compensation expense	1,951	1,887
Postretirement benefits liability	2,547	2,595
Stockholders' Equity:		
Preferred stock, \$.01 par value; 5,000,000 shares authorized; none issued		
Common stock, \$.01 par value; 15,000,000 shares authorized; 10,542,704 and 10,517,704, respectively, shares issued and outstanding	105	105
Additional paid-in capital	5,062	4,906
Retained earnings	52,746	50,485

Deferred compensation-ESOP	(3,559)	(3,840)
Total Stockholders' Equity	54,354	51,656
Total Liabilities and Stockholders' Equity	\$ 95,866	\$ 90,744
	=====	=====

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

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Powell Industries, Inc. and Subsidiaries
Consolidated Statements of Operations (unaudited)
(In Thousands, Except Per Share Data)

	THREE MONTHS ENDED APRIL 30,	
	1995	1994
	-----	-----
Revenues	\$ 41,398	\$ 39,378
Cost of goods sold	32,459	30,571
Gross profit	8,939	8,807
Selling, general and administrative expenses	6,616	6,690
Earnings from operations	2,323	2,117
Interest, net	145	179
Earnings before income taxes	2,178	1,938
Income tax provision	720	644
Net earnings	1,458	1,294
Net earnings per common share	\$ 0.14	\$ 0.12
Weighted average number of common shares outstanding	10,534,371	10,509,371
	=====	=====

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

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Powell Industries, Inc. and Subsidiaries
 Consolidated Statements of Operations (unaudited)
 (In Thousands, Except Per Share Data)

	SIX MONTHS ENDED APRIL 30,	
	1995	1994
Revenues	\$ 77,987	\$ 73,720
Cost of goods sold	61,457	57,564
Gross profit	16,530	16,156
Selling, general and administrative expenses	12,952	12,958
Earnings from operations	3,578	3,198
Interest, net	268	382
Earnings before income taxes	3,310	2,816
Income tax provision	1,049	894
Net earnings	\$ 2,261	\$ 1,922
	=====	=====
Net earnings per common share	\$ 0.21	\$ 0.18
	=====	=====
Weighted average number of common shares outstanding	10,526,037	10,501,037
	=====	=====

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)

	SIX MONTHS ENDED APRIL 30,	
	1995	1994
Operating Activities:		
Net earnings	\$ 2,261	\$ 1,922
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,710	1,647
Deferred income taxes	(415)	(824)
Postretirement benefit liability	(48)	424
Changes in operating assets and liabilities:		
Accounts receivable	(2,568)	(5,568)
Costs and estimated earnings in excess of billings	(3,736)	3,933
Inventories	(4,402)	(3,722)
Prepaid expenses and other current assets	(655)	(933)
Other assets	(168)	(360)
Accounts payable and income taxes payable	2,700	(2,460)
Accrued liabilities	(2,589)	984
Billings in excess of costs and estimated earnings	2,297	(107)
Other long-term liabilities	345	140
Net cash used in operating activities	(5,268)	(4,924)
Investing Activities:		
Purchases of property, plant, and equipment	(1,248)	(975)
Acquisition of Transdyn Controls, Inc.	--	(1,539)
Net cash used in investing activities	(1,248)	(2,514)
Financing Activities:		
Payments of long-term debt	--	(519)
Exercise of stock grants	156	178
Net cash provided by (used in) financing activities	156	(341)
Net decrease in cash and cash equivalents	(6,360)	(7,779)
Cash and cash equivalents at beginning of period	7,598	13,118
Cash and cash equivalents at end of period	\$ 1,238	\$ 5,339

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

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

A. BASIS OF PRESENTATION

The accompanying unaudited 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 of cash flows. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's latest annual report.

B. INVENTORY

	APRIL 30, 1995 (UNAUDITED)	OCTOBER 31, 1994
	-----	-----
The components of inventory are summarized below (in thousands):		
Raw materials and subassemblies	\$13,872	\$ 9,392
Work-in-process	5,429	5,507
	-----	-----
Total inventories	\$19,301	\$14,899
	=====	=====

C. PROPERTY, PLANT AND EQUIPMENT

	APRIL 30, 1995 (UNAUDITED)	OCTOBER 31, 1994
	-----	-----
Property, plant and equipment is summarized below (in thousands):		
Land	\$ 2,514	\$ 2,514
Buildings and improvements	14,372	14,282
Machinery and equipment	22,533	21,863
Furniture & fixtures	3,756	3,076
Construction in progress	597	247
	-----	-----
	43,772	41,982
Less-accumulated depreciation	(27,755)	(26,323)
	-----	-----
Total property, plant and equipment, net	\$ 16,017	\$ 15,659
	=====	=====

Part I
Item 1

D. Other Financial Information (unaudited)

	SIX MONTHS ENDED APRIL 30,	
	----- 1995 -----	----- 1994 -----
Supplemental disclosure of cash flow information (in thousands):		
Cash paid during the period for:		
Interest	\$ 501 =====	\$ 654 =====
Income taxes	\$1,620 =====	\$ 630 =====

E. Production Contracts

For contracts in 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):

	APRIL 30, 1995 (UNAUDITED) -----	OCTOBER 31, 1994 -----
Costs and estimated earnings	\$ 46,067	\$ 33,258
Progress billings	(34,993) -----	(25,920) -----
Total costs and estimated earnings in excess of billings	\$ 11,074 =====	\$ 7,338 =====
Progress billings	\$ 18,253	\$ 12,556
Costs and estimated earnings	(13,606) -----	(10,206) -----
Total billings in excess of costs and estimated earnings	\$ 4,647 =====	\$ 2,350 =====

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

LIQUIDITY AND CAPITAL RESOURCES

During 1990, the Company concluded a private placement of \$15,000,000 in term notes, of which \$9,376,000 was outstanding as of January 31, 1995. These notes are unsecured with a fixed interest rate of 10.4 percent. The notes mature through June 1997, with the next payment of \$2,813,000 due in June 1995.

The Company also has a revolving line of credit, with a major domestic bank, of \$10,000,000, which was amended in April 1995, to extend the maturity date to May 1, 1997. As of April 30, 1995 and October 31, 1994, none of this line was outstanding.

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:

	April 30, 1995	October 31, 1994	April 30, 1994
Working Capital	\$42,109,000	\$39,229,000	\$41,386,000
Current Ratio	2.38 to 1	2.40 to 1	2.60 to 1
Debt to Capitalization15 to 1	.15 to 1	.20 to 1

The consolidated statements of cash flows show that approximately \$6,360,000 of cash was used during the six months ended April 30, 1995. The increases in accounts receivables and inventories requiring the use of cash were due to the increased volume of business, product shipment delays and advance purchase of inventory. Another major use of cash was the reduction of accrued liabilities for incentive compensation, legal expenses and insurance. Billings in excess of costs and estimated earnings increased and had a positive effect on the Company's cash flow during the quarter. The increase in this account reflects the increase in the amount of progress billings in advance of costs incurred during the period. The use of cash for capital expenditures during the six months of 1995 was \$1,248,000 which was mainly invested in machinery and equipment.

The Company's fiscal 1995 asset management program will continue to focus on the collection of receivables and reduction in inventories. The Company plans to satisfy its fiscal 1995 capital requirements and operating needs primarily with funds available in cash and cash equivalents of \$1,238,000, funds generated from operating activities and funds available under its existing revolving credit line.

RESULTS OF OPERATIONS

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

	APRIL 30,			
	1995		1994	
	THREE MONTHS ENDED	SIX MONTHS ENDED	THREE MONTHS ENDED	SIX MONTHS ENDED
Revenues	100.0%	100.0%	100.0%	100.0%
Gross Profit	21.6	21.2	22.4	21.9
Selling, general and administrative expenses	16.0	16.6	17.0	17.6
Interest, net4	.4	.5	.5
Net earnings before income tax	5.2	4.2	4.9	3.8
Income tax provision	1.7	1.3	1.6	1.2
Net earnings	3.5	2.9	3.3	2.6

REVENUES for the quarter ended April 30, 1995 were up five percent to \$41,398,000 from \$39,378,000 in the second quarter of last year. This increase in volume was due to higher electrical distribution equipment product line revenues. Revenues for the six months ended April 30, 1995 were up 6 percent to \$77,987,000 from \$73,720,000 in the first six months of last year. This increase in volume was due to higher electrical distribution equipment product line revenues which were partially offset by lower revenues from process control product lines.

GROSS PROFIT, as a percentage of revenues, was 21.6 percent and 22.4 percent for the quarters ended April 30, 1995 and 1994. The gross profit percentage for the six months ended April 30, 1995 and 1994 was 21.2 percent and 21.9 percent, respectively. The lower percentages in 1995 were due to changes in product mix shipped during 1995.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE as a percentage of revenues was 16.0% and 17.0% for the quarters ended April 30, 1995 and 1994. The percentages of revenues for the six months ending April 30, 1995 and 1994 are 16.6% and 17.6%, respectively. The higher percentages in 1995 were due to the effect of increased revenue volume without corresponding increases in expense.

INTEREST, NET is lower in 1995 than in 1994 due to the reduction in outstanding debt.

INCOME TAX PROVISION had effective tax rates of 33.1% and 33.2% for the quarters ended April 30, 1995 and 1994. For the six months ended April 30, 1995 and 1994 the effective tax rate was 31.7% in each period. The lower than statutory rates are due to foreign sales corporation credits.

NET EARNINGS were \$1,458,000 or \$.14 per share for the second quarter of fiscal 1995, an increase of 13 percent from \$1,294,000 or \$.12 per share for the same period last year. The net earnings for the six months ended April 30, 1995 were \$2,261,000, or \$.21 per share, compared with \$1,922,000, or \$.18 per share for the first six months of fiscal 1994, an increase of eighteen percent. The increase in both 1995 periods reported were mainly due to the higher revenue volume and lower interest expense.

The order backlog at April 30, 1995 was \$112.4 million compared to \$106.7 million at October 31, 1994. The October 31, 1994, backlog has been adjusted for a large turbine package order canceled in January 1995, as previously reported, when a customer terminated a cogeneration project.

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Part II

OTHER INFORMATION

- ITEM 1. Legal Proceedings
No material developments in litigation previously reported.
- ITEM 2. Changes in Securities
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
3.2 Bylaws of Powell Industries, Inc.

10.5 Fourth amendment, dated April 30, 1995, to Credit Agreement between Powell Industries, Inc. and NationsBank of Texas.
 - b. Reports on Form 8K
None
 - c. Exhibit 27.0 Financial Data Schedule

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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

June 13, 1995
Date

THOMAS W. POWELL
President and Chief Executive Officer
(Principal Executive Officer)

June 13, 1995
Date

J. F. AHART
Vice President,
Secretary-Treasurer
Chief Financial Officer
(Principal Financial and Accounting Officer)

BYLAWS
OF
POWELL INDUSTRIES, INC.

BYLAWS
OF
POWELL INDUSTRIES, INC.

I
OFFICES

1.1 PRINCIPAL OFFICE. The principal office shall be in Houston, Harris County, Texas.

1.2 OTHER OFFICES. The Corporation may also have offices at such other places, both within and without the State of Nevada, as the Board of Directors may from time to time determine or the business of the Corporation may require.

II
STOCKHOLDERS' MEETINGS

2.1 PLACE OF MEETINGS. All meetings of the stockholders shall be held at the principal office of the Corporation or any other place within or without the State of Nevada as may be designated for that purpose from time to time by the Board of Directors.

2.2 ANNUAL MEETINGS. The annual meetings of the stockholders shall be held on such time and date in each year as may be determined by the Board of Directors.

2.3 NOTICE OF MEETING. Written notice of the meeting, stating the place, date and hour of the meeting, the purpose or purposes for which the meeting is called and signed by the President, a Vice President, the Secretary, an Assistant Secretary, or by such other natural person as shall be designated by the Board of Directors shall be given in writing to each stockholder entitled to vote at the meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting either personally or by mail, postage prepaid, addressed to the stockholder at his address appearing on the books of the Corporation. Notice of an adjourned meeting need not be given if the time and place thereof are announced at the meeting at which

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the adjournment is taken, unless the adjournment is for more than thirty (30) days, or after the adjournment a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. Notwithstanding the foregoing, no notice need be given to any stockholder if (i) notice of two (2) consecutive annual meetings, and all notices of meetings or of the taking of action by written consent without a meeting to such person during the period between such two (2) consecutive annual meetings, or (ii) all (but in no event less than two [2]) payments sent by first-class mail of dividends or interest on securities during a twelve-month period, have been mailed to that person at his address as shown on the records of the Corporation, and have been returned undeliverable. However, if such a person delivers to the Corporation a written notice setting forth his then current address, then any notice subsequently given shall also be given to such person.

2.4 SPECIAL MEETINGS. Special meetings of the stockholders for any purpose or purposes whatsoever may be called at any time by the Chairman of the Board, or by the Board of Directors, or by one or more stockholders holding in the aggregate at least twenty percent (20%) of all the shares entitled to vote at the proposed special meeting. Only business within the purpose or purposes described in the notice of the special meeting of the stockholders may be conducted at the meeting.

2.5 QUORUM. A majority of the shares entitled to vote constitutes a quorum for the transaction of business. Once a quorum is present at a meeting of stockholders, the stockholders represented in person or by proxy at the meeting may conduct such business as may be properly brought before the meeting until it is adjourned, and the subsequent withdrawal from the meeting of any stockholder or the refusal of any stockholder represented in person or by proxy to vote

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shall not affect the presence of a quorum at the meeting. The stockholders represented in person or by proxy at a meeting of stockholders at which a quorum is not present may adjourn the meeting until such time and to such place as may be determined by a vote of the holders of a majority of the shares represented in person or by proxy at that meeting.

2.6 VOTING. In all matters other than the election of Directors, the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote on the subject matter at a meeting at which a quorum is present shall be the act of the stockholders. Directors shall be elected by a plurality of the votes of the shares present or represented by proxy at the meeting and entitled to vote on the election of Directors. No stockholder shall have the right to cumulate his votes at any election for Directors of the Corporation.

2.7 PROXIES. Every person entitled to vote or execute consents may do so either in person or by valid proxy granted in accordance with the requirements of the Nevada General Corporation Law.

2.8 CONSENT OF ABSENTEES. No defect in the calling or noticing of a stockholders' meeting will affect the validity of any action at the meeting if a quorum was present and if each stockholder not present in person or by proxy signs a written waiver of notice, consent to the holding of the meeting, or approval of the minutes, either before or after the meeting, and such waivers, consents, or approvals are filed with the corporate records or made a part of

the minutes of the meeting.

2.9 ACTION WITHOUT MEETING. Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice or call, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of shares having not less than the

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minimum number of votes that would be necessary to authorize or take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted. The written consent must be filed with the minutes of the proceedings of the stockholders.

III DIRECTORS

3.1 POWERS. The Directors shall act only as a board, and an individual Director shall have no power as such. All corporate powers of the Corporation shall be exercised by, or under the authority of, and the business and affairs of the Corporation shall be controlled by the Board of Directors, subject, however, to such limitations as are imposed by law, the Articles of Incorporation, or these Bylaws as to any actions to be authorized or approved by the stockholders. The Board of Directors may, by contract or otherwise, give general or limited or special power and authority to the officers and employees of the Corporation to transact the general business, or any special business, of the Corporation, and may give powers of attorney to agents of the Corporation to transact any special business requiring such authorization.

3.2 NUMBER AND QUALIFICATION OF DIRECTORS. The authorized number of Directors of the Corporation shall be nine (9). The Directors need not be stockholders of the Corporation. The term of office of each Director shall expire (except as hereinafter provided to allow for rotation of Directors) every three (3) years. The Board of Directors shall be divided into three (3) classes of Directors, with three (3) Directors in each class. The Directors of Class 1 shall hold office until the next annual meeting of the stockholders of the Corporation following the date of the adoption of these Bylaws, the Directors of Class 2 shall hold office until the second annual meeting of the stockholders of the Corporation following the date of the adoption of these

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Bylaws, and the Directors of Class 3 shall hold office until the third annual meeting of the stockholders of the Corporation following the date of the adoption of these Bylaws.

3.3 TERM OF OFFICE. Except for the terms as provided in Section 3.2 hereof, each Director shall be elected to hold office for a term of three (3) years. Each Director shall serve until the expiration of his or her term and thereafter until his or her respective successor is duly elected and qualified, or until his or her earlier death, resignation or removal.

3.4 VACANCIES. Any vacancy occurring in the Board of Directors, including a vacancy occurring by reason of an increase in the number of Directors, may be filled by a majority of the remaining Directors, although less than a quorum, or by a sole remaining Director. The stockholders may fill any vacancy occurring in the Board of Directors not filled by the Directors at an annual or special meeting of stockholders.

3.5 REMOVAL OF DIRECTORS. The entire Board of Directors or any individual Director may be removed from office in the manner provided by the Nevada General Corporation Law.

3.6 PLACE OF MEETINGS. All meetings of the Board of Directors shall be held at the principal office of the Corporation or at such place within or without of the State of Nevada as may be designated from time to time by resolution of the Board of Directors or by written consent of all of the members of the Board of Directors.

3.7 REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held, without call or notice, immediately following each annual meeting of the stockholders of the Corporation, and at such other times as the Board of Directors may determine.

3.8 SPECIAL MEETINGS - CALL AND NOTICE. Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman of the Board, the President, or by any two (2) Directors. Written notice of the special meetings, stating the time and, in general

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terms, the purpose or purposes thereof, shall be mailed or telegraphed or personally delivered to each Director not later than the day before the day appointed for the meeting.

3.9 QUORUM. A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided and except as provided in Section 3.4 of these Bylaws. Every act or decision done or made by a majority of the Directors present at a meeting at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law.

3.10 BOARD OF DIRECTORS ACTION WITHOUT MEETING; TELEPHONE MEETINGS. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and with the same force and effect as a unanimous vote of Directors if before or after the action, all members of the Board of Directors shall sign a written consent to such action. Such written consent shall be filed with the minutes of the proceedings of the Board of Directors. The Directors may participate in a meeting of the Board of Directors by means of a telephone conference or similar method of communication by which all persons participating

in the meeting can hear each other. Participation in such a meeting constitutes presence in person at the meeting, except where participation is for the express purpose of objecting to the transaction of any business at the meeting on the ground that the meeting is not lawfully called or convened.

3.11 ADJOURNMENT - NOTICE. A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated day and hour. Notice of the time and place of holding an adjourned meeting shall be given to each absent Director, and to all Directors if the time and place is not fixed at the meeting adjourned. In the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors.

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3.12 CONDUCT OF MEETINGS. The Chairman of the Board or, in his absence, any Director selected by the Directors present shall preside at meetings of the Board of Directors. The Secretary of the Corporation or, in his absence, any person appointed by the presiding officer shall act as secretary at meetings of the Board of Directors.

3.13 PRESUMPTION OF ASSENT. A Director of the Corporation who is present at a meeting of the Board of Directors in which action on any Corporation matter is taken shall be presumed to have assented to the action taken unless his dissent or abstention shall be written in the minutes of the meeting or unless he shall file his written dissent to such action or abstention with respect to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent or abstention by registered or certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a Director who voted in favor of such action.

3.14 COMPENSATION. Directors and members of committees may receive such compensation, if any, for their services and such reimbursement for expenses as may be fixed or determined by resolution of the Board of Directors.

3.15 CONSENT OF ABSENTEES. No defect in the calling or noticing of a Directors' meeting will affect the validity of any action at the meeting if a quorum was present and if each director not present signs a written waiver of notice, consent to the holding of the meeting, or approval of the minutes, either before or after the meeting, and such waivers, consents, or approvals are filed with the corporate records or made a part of the minutes of the meeting.

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3.16 CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at meetings of the Board of Directors. In the event of the absence of the Chairman of the Board from any meeting, the Board of Directors may elect a chairman from among its members to preside at such meeting.

3.17 COMMITTEES.

A. DESIGNATION. The Board of Directors may, by resolution adopted by a majority of the Board of Directors, designate one (1) or more committees, including, without limitation, an Executive Committee, an Audit Committee, and a Compensation Committee. Members of each such committee shall serve at the pleasure of the Board of Directors. The members of each such committee shall be designated by resolution adopted by a majority of the full Board of Directors. Each committee must include at least one (1) Director, but the Board of Directors may appoint natural persons who are not Directors to serve on committees. To the extent provided in the resolution of the Board of Directors designating such committee or in any subsequent resolution of the Board of Directors, any such committee shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may have power to authorize the seal of the Corporation to be affixed to all papers on which the Corporation desires to place a seal.

B. CHANGE IN NUMBER. The number of members of any committee may be increased or decreased from time to time by a resolution adopted by the Board of Directors.

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C. REMOVAL. Any member of any committee may be removed by a resolution adopted by the Board of Directors, whenever, in the Board of Directors' judgment, the best interests of the Corporation will be served thereby.

D. VACANCIES. A vacancy occurring in any committee (by death, resignation, removal, or otherwise) may be filled by a resolution adopted by the Board of Directors.

E. MEETINGS. The time, place, and notice (if any), of the meetings of any committee shall be determined by such committee.

F. MAJORITY VOTE. At meetings of any such committee, a majority of the members of such committee designated by the Board of Directors shall constitute a quorum for the transaction of business. A majority vote by the members of such committee present at a meeting at which a quorum is present shall constitute an act of such committee. If a quorum is not present at a meeting of a committee, the member or members present may adjourn the meeting from time to time, until a quorum is present, without notice other than an announcement at the meeting.

G. COMPENSATION. By resolution of the Board of Directors, the members of any committee may be paid their expenses, if any, of attendance at each meeting of the committee and may be paid a fixed sum for attendance at each meeting of the committee or a stated salary as a member. No such payment shall preclude any member of any such committee

from serving the Corporation in any other capacity and receiving compensation therefor.

H. PROCEDURE. Each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. The minutes of the proceedings of each committee shall be placed in the minute book of the corporation.

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I. ACTION WITHOUT MEETING. Any action required or permitted to be taken at a meeting of a committee may be taken without a meeting if a consent in writing, setting forth the actions so taken, is signed by all members of the committee. Such consent shall have the same force and effect as a unanimous vote at an actual meeting. The executed consent shall be placed in the minute book.

J. RESPONSIBILITY. The designation of any committee and the delegation of authority to it shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him by law.

K. SUBCOMMITTEES. Except as otherwise specifically provided by the Board of Directors, any committee shall have the power to appoint a subcommittee from among its members and to delegate to any such subcommittee any of its powers, duties, and functions.

IV OFFICERS

4.1 TITLE. The officers of the Corporation shall be a Chairman of the Board, a President, a Vice President, a Secretary, a Chief Financial Officer, a Treasurer and such other officers and assistants as the Board of Directors shall from time to time determine. Any two or more offices may be held by one person.

4.2 ELECTION. The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of this Paragraph 4.2 or Paragraph 4.4 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified. The Board of Directors may delegate to any officer or committee the

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power to appoint any subordinate officers (other than the Chairman of the Board, President, Vice President, Secretary, Chief Financial Officer, and Treasurer), committees or agents, to specify their duties and to determine their compensation.

4.3 REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of the Board of Directors, or by any committee or officer upon whom such power of removal may be conferred by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.4 VACANCIES. If the office of the Chairman of the Board, President, Secretary, Chief Financial Officer, or Treasurer becomes vacant by reason of death, resignation, removal, or otherwise, the Board of Directors shall elect a successor who shall hold office for the unexpired term, and until his successor is elected.

4.5 CHAIRMAN OF THE BOARD. The Chairman of the Board shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have the general powers and duties usually vested in the chief executive officer of a corporation. The Chairman of the Board must be a member of the Board of Directors. The Chairman of the Board shall preside at all meetings of the Board of Directors and the stockholders of the Corporation and shall have such other powers and duties as may be prescribed by the Board of Directors.

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4.6 PRESIDENT. The President of the Corporation shall be the chief operating officer of the Corporation and shall, subject to the control of the Board of Directors, have day to day supervision, direction, and control of the business and officers of the Corporation and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. Within this authority and in the course of his duties, he shall:

A. Sign all certificates of stock of the Corporation, in conjunction with the Secretary or Assistant Secretary, unless otherwise ordered by the Board of Directors.

B. Make such contracts and take such actions as the ordinary conduct of the Corporation's business may require, unless the Board of Directors shall order otherwise by resolution.

C. Appoint and remove, employ and discharge, and prescribe the duties and fix the compensation of all agents and employees of the Corporation other than the duly appointed officers, subject to the approval of the Board of Directors, and control all of the officers, agents, and employees of the Corporation, subject to the direction of the Board of Directors.

D. In the absence of the Chairman of the Board, preside at meetings of the stockholders.

4.7 VICE PRESIDENT. In the absence of the President, or in the event of his inability or refusal to act, a Vice President designated by the Board of Directors shall perform the duties of the President and when so acting shall have all of the powers of and be subject to the restrictions upon the President. In the absence of a designation by the Board of Directors of a Vice President to perform the duties of the President, or in the event of his absence or inability

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or refusal to act, the Vice President who is present and who is senior in terms of time as a Vice President of the Corporation so shall act. The Vice President shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

4.8 SECRETARY. The Secretary shall:

A. Sign, with the President or the Vice President, certificates for shares of the Corporation.

B. Attest and keep at the principal office of the Corporation the original or a copy of these Bylaws as amended or otherwise altered to date.

C. Sign or attest such documents as may be required by law or the business of the Corporation, and affix the corporate seal to such instruments as may be necessary or proper.

D. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law. In the absence or disability of the Secretary, or his refusal or neglect to act, notice may be given and served by an Assistant Secretary or by the President or Vice President or by the Board of Directors.

E. In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to him by the Board of Directors.

F. In the absence or disability of the Secretary or his refusal or neglect to act, the Assistant Secretary, or if there be none, the Chief Financial Officer or the Treasurer, acting as Assistant Secretary, may perform all of the functions of the Secretary. In the absence or inability to act, or refusal or neglect to act of the Secretary, the Assistant Secretary, and the Treasurer, any person thereunto authorized by the President or Vice President or by the Board of Directors may perform the functions of the Secretary.

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4.9 CHIEF FINANCIAL OFFICER. The Chief Financial Officer shall be the chief financial officer of the Corporation and shall, subject to the control of the Board of Directors, have the general powers and duties usually vested in the chief financial officer of a corporation and such other powers and duties as may be prescribed by the Board of Directors.

4.10 TREASURER. The Treasurer shall have the responsibility for the custody and control of all the funds and securities of the Corporation, and shall have such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him by the Board of Directors. He shall perform all acts incident to the position of Treasurer, subject to the control of the President and the Board of Directors. The Treasurer shall, if required by the Board of Directors, give such bond for the faithful discharge of his duties in such form as the Board of Directors may require.

4.11 ASSISTANT SECRETARIES. Each Assistant Secretary shall have the usual powers and duties pertaining to his office, together with such other powers and duties as designated in these Bylaws and as from time to time may be designated to him by the President or the Board of Directors. The Assistant Secretary shall exercise the powers of the Secretary during that officer's absence or inability or refusal to act.

4.12 ASSISTANT TREASURERS. Each Assistant Treasurer shall have the usual powers and duties pertaining to his office, together with such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him by the President or the Board of Directors. The Assistant Treasurer shall exercise the powers of the Treasurer during that officer's absence or inability or refusal to act.

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4.13 OTHER DUTIES. In general, each officer shall perform all the duties incident to his office and such other duties as from time to time may be assigned to him by the Board of Directors.

V
INDEMNIFICATION; INSURANCE

5.1 PERSONS. The Corporation shall indemnify, subject to the further provisions of this Article V, to the extent provided in Section 5.3, (i) any person who is or was a Director, officer, agent, or employee of the Corporation, and (ii) any person who serves or served at the Corporation's request as a director, officer, agent, employee, manager, partner, or trustee of another corporation, partnership, joint venture, trust, or other enterprise, who was or is a party or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (herein called a "proceeding").

5.2 STANDARD. A person named in Section 5.1 shall be indemnified only if he has been successful, on the merits or otherwise, in the defense of the

proceeding, or in defense of any claim, issue or matter therein, or if: (i) in a proceeding other than an action by or in the right of the Corporation, (a) he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and (b) in the case of a criminal proceeding, had no reasonable cause to believe his conduct was unlawful; or (ii) in the case of a proceeding by or in the right of the Corporation to procure a judgment in its favor, (a) he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and (b) with respect to any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Corporation by a court of competent jurisdiction after exhaustion of all appeals therefrom, or with respect to amounts paid in

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settlement to the Corporation, the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

5.3 EXTENT. A person named in Section 5.1 shall be indemnified by the Corporation, if he satisfies the applicable standards of Section 5.2, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the proceeding, subject to the limitation of clause (ii)(b) of Section 5.2, if applicable.

5.4 DETERMINATION. A determination that a person has satisfied the standard for indemnification under Section 5.2 and a determination as to reasonableness of expenses may be made by a court or may be made: (i) by the stockholders of the Corporation; (ii) by the Board of Directors by a majority of a quorum consisting of Directors of the Corporation who at the time of the vote are not parties to the proceeding; or (iii) if such a quorum of Directors cannot be obtained, or, even if obtainable a quorum of disinterested Directors so directs, by independent legal counsel selected by the Board of Directors, in a written opinion.

5.5 PRORATION. A determination under Section 5.4 may include a determination that a person has met the standard as to some matters, but not as to others, and may reasonably prorate amounts to be indemnified.

5.6 ADVANCE PAYMENT. Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative, or investigative proceeding shall be paid by the Corporation as they are incurred in advance of the final disposition of such proceeding, and without any of the determinations specified in Section 5.4, upon receipt of an

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undertaking by or on behalf of such officer or director to repay such amount if it is ultimately determined by a court of competent jurisdiction that such officer or director is not entitled to be indemnified by the Corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

5.7 NONEXCLUSIVE AND CONSISTENT. The indemnification and advancements of expenses provided by this Article V shall not be exclusive of any other rights to which a person may be entitled by law, the Articles of Incorporation of the Corporation, these Bylaws, agreement, vote of stockholders or disinterested Directors, or otherwise. It is not the intent of the Corporation that any provision of this Article V be inconsistent with the requirements and limitations provided in Section 78.751 of the Nevada General Corporation Law and to the extent that any provision hereof conflicts with any such requirement or limitation, the provisions of Section 78.751 shall govern.

5.8 CONTINUATION. The indemnification and advance payments provided by this Article V shall continue as to a person who has ceased to hold a position named in Section 5.1 and shall inure to his heirs, executors, and administrators.

5.9 INSURANCE. The Corporation may purchase and maintain insurance or make other financial arrangements on behalf of any person who holds or who has held any position named in 5.1, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation has the authority to indemnify him against such liability under this Article V or Section 78.751 of the Nevada General Corporation Law. The Board of Directors shall determine the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in

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an arrangement. No financial arrangement made pursuant to this Section 5.9 may provide protection for a person adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable for intentional misconduct, fraud or a knowing violation of the law, except with respect to the advancement of expenses or indemnification ordered by a court.

VI EXECUTION OF INSTRUMENTS

6.1 AUTHORIZATION. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons to execute any corporate instrument or document, or to sign the corporate name, without limitation, except where otherwise provided by law, and such execution or signature shall be binding upon the Corporation.

VII ISSUANCE AND TRANSFER OF SHARES

7.1 SHARE CERTIFICATES. The Corporation shall deliver certificates representing all shares to which stockholders are entitled, which certificates shall be in such form as the Board of Directors may provide. Each certificate shall bear upon its face the statement that the Corporation is organized in Nevada, the name in which it is issued, the number and class of shares and series, if any, and the par value or a statement that the shares are without par value. The certificates shall be signed by the President or a Vice President and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, which signatures may be in facsimile if the certificates are to be countersigned by a transfer agent and a registrar (which may be the same institution if such institution countersigns certificates in both capacities), and

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the seal of the Corporation shall be affixed thereto. The certificates shall contain on the faces or backs such recitations or references as are required by law.

7.2 REPLACEMENT OF CERTIFICATES. No new certificates shall be issued until the former certificate for the shares represented thereby shall have been surrendered and cancelled, except in the case of lost or destroyed certificates for which the Board of Directors may order new certificates to be issued upon such terms, conditions, and guaranties as the Board of Directors may see fit to impose, including the filing of a sufficient indemnity bond.

7.3 TRANSFER OF SHARES. Shares of the Corporation may be transferred by endorsement by the signature of the owner, his agent, attorney, or legal representative, and the delivery of the certificate. The transferee in any transfer of shares shall be deemed to have full notice of and consent to the Bylaws of the Corporation to the same extent as if he had signed a written assent thereto.

7.4 REASONABLE DOUBTS AS TO RIGHT TO TRANSFER. When a transfer of shares is requested and there is reasonable doubt as to the right of the person seeking the transfer, the Corporation or its transfer agent, before recording the transfer of the shares on its books or issuing any certificate therefor, may require from the person seeking the transfer reasonable proof of his right to the transfer. If there remains a reasonable doubt of the right to the transfer, the Corporation may refuse a transfer unless the person gives adequate security or a bond of indemnity executed by a corporate surety or by two individual sureties satisfactory to the Corporation as to form, amount, and responsibility of sureties. The bond shall be conditioned to protect the Corporation, its officers, transfer agents, and registrars, or any of them, against any loss, damage, expense, or other liability to the owner of the shares by reason of the recordation of the transfer or the issuance of a new certificate for shares.

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VIII RECORDS AND REPORTS

8.1 BOOKS AND RECORDS. All books and records provided for by statute shall be open to inspection of the stockholders from time to time and to the extent expressly provided by statute, and not otherwise. The Directors may examine such books and records at all reasonable times.

8.2 FIXING RECORD DATES FOR MEETINGS. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors of the Corporation may fix a record date, which record date shall not be more than sixty (60) days before the date of such meeting. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

8.3 FIXING RECORD DATES FOR CONSENTS TO ACTION. Unless a record date shall have previously been fixed, whenever action by stockholders is proposed to be taken by consent in writing without a meeting of the stockholders, the Board of Directors may fix a record date for the purpose of determining the stockholders entitled to consent to that action.

8.4 FIXING RECORD DATES FOR DISTRIBUTIONS AND OTHER PURPOSES. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or the for the purpose of any other lawful action, the Board of Directors may fix a record date.

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IX AMENDMENT OF BYLAWS

9.1 AMENDMENT OF BYLAWS. The stockholders may amend or repeal these Bylaws, or adopt new bylaws. The Board of Directors may also amend or repeal these Bylaws, or adopt new bylaws, unless the stockholders in amending, repealing, or adopting a particular bylaw expressly provide that the Board of Directors may not amend or repeal that bylaw.

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CERTIFICATE BY SECRETARY

The undersigned, being the secretary of the Corporation, hereby certifies that the foregoing Bylaws were duly adopted by the first Board of Directors of the Corporation effective on March 17, 1995.

IN WITNESS WHEREOF, I have signed this certification as of the ____ day of _____, 1995.

BYLAWS
OF
POWELL INDUSTRIES, INC.

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FOURTH AMENDMENT
TO
CREDIT AGREEMENT

EXHIBIT 10.5

THIS FOURTH AMENDMENT TO CREDIT AGREEMENT (this "Fourth Amendment") is entered into effective as of April 30, 1995, by and between POWELL INDUSTRIES, INC., a Nevada Corporation ("Borrower"), with its mailing address at P.O. Box 12818, Houston, Texas 77217, and NATIONSBANK OF TEXAS, N.A., a national banking association, with its mailing address at 700 Louisiana Street, Houston, Texas 77002 ("Lender").

WITNESSETH:

WHEREAS, Lender and Borrower heretofore entered into that certain Credit Agreement, dated as of July 15, 1991 as amended by that certain First Amendment to Credit Agreement dated as of May 29, 1992, that certain Second Amendment to Credit Agreement dated as of April 30, 1993 and that certain Third Amendment to Credit Agreement dated as of April 30, 1994 (as so amended, the "Credit Agreement") pursuant to which Lender agreed to make loans to Borrower from time to time subject to and upon terms, covenants and conditions contained therein; and

WHEREAS, Lender and Borrower now desire to amend the Credit Agreement in certain particulars.

NOW THEREFORE, in consideration of these premises, the promises, mutual covenants and agreements contained in this Fourth Amendment, and fully intending to be legally bound by this Fourth Amendment, Lender and Borrower hereby agree as follows:

1. DEFINITIONS.

Unless otherwise specifically defined herein, all defined terms used in this Fourth Amendment shall have their respective meanings set forth in the Credit Agreement.

2. AMENDMENTS.

a. Exhibit 1.2 to the Credit Agreement is hereby amended by deleting it in its entirety and substituting in lieu thereof Exhibit 1.2 attached hereto.

a. Subsection 1.5(b) of the Credit Agreement is hereby amended to read in its entirety as follows:

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"(b) Any Eurodollar Rate Advance from time to time outstanding shall bear interest from the first day of the Interest Period applicable thereto until the last day of such Interest Period at a rate per annum equal to the lesser of (i) the Highest Lawful Rate, or (ii) the Eurodollar Rate applicable to such Interest Period plus the Eurodollar Margin."

c. Exhibit 1.7 to the Credit Agreement is hereby amended by deleting it in its entirety and substituting in lieu thereof Exhibit 1.7 hereto.

d. The first six sentences of Section 2.1 of the Credit Agreement are amended to read in their entirety as follows:

"Prior to April 30, 1995, Lender has issued for the account of Borrower those certain Letters of Credit set forth on EXHIBIT 2.1A hereto (the "EXISTING LETTERS OF CREDIT"). The Existing Letters of Credit shall be subject to the same terms and conditions of this Agreement affecting Letters of Credit (as defined below). In addition, Lender may from time to time, until May 1, 1997 (such date, or such later date as may be determined by Lender in its sole and absolute discretion upon the prior written request of Borrower, the "LETTER OF CREDIT MATURITY DATE"), in its sole and absolute discretion, upon the request of Borrower, if the applicable conditions precedent specified in SUBSECTIONS 3.1(B) AND 3.1(C) and SUBSECTIONS 3.2(B), 3.2(C) AND 3.2(E) shall have been satisfied with respect to such requested Letter of Credit, issue either documentary letters of credit or standby letters of credit ("LETTERS OF CREDIT") in the name of Borrower on behalf of any of its wholly-owned Subsidiaries. At no time shall Lender have any obligation or commitment to issue Letters of Credit hereunder. Rather, this ARTICLE II is intended solely to set forth procedures and terms which shall govern in connection with any Letter of Credit if Lender elects, in its sole and absolute discretion, to issue any Letter of Credit. The aggregate undrawn face amount of all Letters of Credit at any time outstanding, together with the aggregate undrawn face amount of the Existing Letters of Credit, shall not exceed FIVE MILLION DOLLARS (\$5,000,000)."

e. Exhibit 2.1A to the Credit Agreement is hereby amended by deleting it in its entirety and substituting in lieu thereof Exhibit 2.1A attached hereto.

f. Section 8.1 of the Credit Agreement is hereby amended by inserting the following definition in its proper alphabetic location:

"'EURODOLLAR Margin' shall mean the rate of 1.25% per annum."

3. REPRESENTATIONS AND WARRANTIES.

By the execution of this Fourth Amendment, Borrower represents and

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warrants that (i) except as heretofore disclosed to Lender, the representations and warranties stated in the Credit Agreement are true and correct as of the date hereof (and for purposes hereof, the references to

October 31, 1990 and January 31, 1991 in Section 4.1 of the Credit Agreement shall be amended to be references to October 31, 1994 and January 31, 1995, respectively) and (ii) neither an Event of Default, as defined in the Credit Agreement, nor any event which with the lapse of time or notice or both could become an Event of Default, has occurred and is continuing as of the date hereof.

4. EFFECTIVENESS.

a. Except to the extent specifically amended and supplemented hereby, all of the terms, conditions and provisions of the Credit Agreement shall remain unmodified, and the Credit Agreement, as amended and supplemented by this Fourth Amendment, is confirmed as being in full force and effect.

b. All references to the Credit Agreement herein or in any other document or instrument between Borrower and Lender shall hereafter be construed to be references to the Credit Agreement as modified by this Fourth Amendment.

c. Concurrently herewith, Borrower will execute and deliver to Lender the Note in the form of Exhibit 1.2 attached hereto.

5. COUNTERPARTS.

This Fourth Amendment may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original, but all of which constitute one instrument. In making proof of this Fourth Amendment, it shall not be necessary to produce or account for more than one counterpart thereof signed by each of the parties hereto.

6. GOVERNING LAW.

This Fourth Amendment shall be governed by and construed in accordance with the laws of the State of Texas, except to the extent that Lender has greater rights or remedies under Federal law, whether as a national bank or otherwise, in which case such choice of Texas law shall not be deemed to deprive Lender of such rights and remedies as may be available under Federal law.

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7. NOTICE OF FINAL AGREEMENT.

THIS FOURTH AMENDMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment as of the date and year first above written.

BORROWER:

POWELL INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

LENDER:

NATIONSBANK OF TEXAS, N.A.

By: _____
Name: _____
Title: _____

CONSENT AND REAFFIRMATION OF GUARANTORS

POWELL ELECTRICAL MANUFACTURING COMPANY, POWELL-PROCESS SYSTEMS, INC., U.S. TURBINE CORP., UNIBUS, INC., DELTA-UNIBUS CORP., POWELL-ESCO COMPANY, TRANSDYN CONTROLS, INC., and POWELL INNOVATIVE BREAKER TECHNOLOGIES, INC. are guarantors (individually a "Guarantor" collectively the "Guarantors") under a certain guaranty (the "Guaranty") related

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to the Credit Agreement and the other Loan Documents.

For good and valuable consideration, the sufficiency of which is hereby acknowledged, each Guarantor hereby consents to the foregoing Fourth Amendment, and hereby declares to and agrees with the Lender that the Guaranty is and shall continue in full force and effect for the benefit of the Lender with respect to the Obligations under the Credit Agreement and the other Loan Documents, that there are no offsets, claims or defenses of any Guarantor with respect to the Guaranty or any other Loan Document, that the Guaranty is not released, diminished or impaired in any way by the above Fourth Amendment, and that the Guaranty is hereby ratified and confirmed in all respects. Each Guarantor hereby acknowledges that without this consent and reaffirmation, the Lender would not execute the above Fourth Amendment.

GUARANTORS:

POWELL ELECTRICAL MANUFACTURING COMPANY

By: _____
Name: _____
Title: _____

POWELL-PROCESS SYSTEMS, INC.

By: _____
Name: _____
Title: _____

U.S. TURBINE CORP.

By: _____
Name: _____
Title: _____

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UNIBUS, INC.

By: _____
Name: _____
Title: _____

DELTA-UNIBUS CORP.

By: _____
Name: _____
Title: _____

POWELL-ESCO COMPANY

By: _____
Name: _____
Title: _____

TRANSDYN CONTROLS, INC.

By: _____
Name: _____
Title: _____

POWELL INNOVATIVE BREAKER
TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

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EXHIBIT 1.2

AMENDED AND RESTATED
PROMISSORY NOTE

\$10,000,000.00

Dated: April 30, 1995

FOR VALUE RECEIVED, the undersigned, Powell Industries, Inc., a Nevada corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of NationsBank of Texas, N.A. (the "Lender") the principal sum of Ten Million and No/100 Dollars (\$10,000,000.00) (the "Commitment") or, if less, the aggregate unpaid principal amount of all Advances outstanding, on the earlier to occur of (i) May 1, 1997 (the "Stated Maturity Date") or (ii) the termination of the Commitment by Lender under SECTION 6.2 of the Credit Agreement (such earlier date herein referred to as the "Termination Date"); together with interest on any and all Advances remaining unpaid hereunder from time to time outstanding from the date hereof until said Advances are paid in full, at the rates set forth in the Credit Agreement, payable on the dates set forth in the Credit Agreement and, with respect to interest on any overdue Advances (and, to the extent permitted by applicable Laws, all accrued unpaid interest on such unpaid Advances), payable on demand, at the lesser of (i) the Highest Lawful Rate (as defined in the Credit Agreement); or (ii) the Default Rate (as defined in the Credit Agreement).

Both principal and interest are payable in lawful money of the United States of America to Lender at Lender's banking house at 901 Main Street, Dallas, Texas 75202 in immediately available funds, or at such other place as may be from time to time designated by Lender by notice to Borrower.

This Promissory Note is the Note referred to in, and is entitled to the benefits of, the Credit Agreement dated as of July 15, 1991 as amended by that certain First Amendment to Credit Agreement dated May 29, 1992, that certain Second Amendment to Credit Agreement dated April 30, 1993, that certain Third Amendment to Credit Agreement dated April 30, 1994 and that certain Fourth Amendment to Credit Agreement dated April 30, 1995 (as amended, extended, supplemented or restated from time to time, the "Credit Agreement") between Borrower and Lender, which Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

If following the occurrence of an Event of Default this Promissory Note is placed in the hands of an attorney for collection, or if all or any part of the Obligations (as defined in the Credit Agreement) are proved, established or collected in any court or in connection with any proceeding for bankruptcy, receivership, debtor relief, probate, or any other court proceeding, then in either such event Borrower and all endorsers, sureties, and guarantors of this Promissory Note jointly and severally agree to pay reasonable attorney's fees, costs, and expenses and collection costs to lender, or to any other holder hereof, in addition to all other amounts payable hereunder.

Borrower and any and all endorsers, guarantors and sureties severally

waive grace,

demand, presentment for payment, notice of dishonor or default, protest, notice of protest, notice of intent to accelerate, notice of acceleration and diligence in collecting and bringing of suit against any party hereto, and agree to all renewals, extensions or partial payments hereon and to any release or substitution of security hereof, in whole or in part, with or without notice, before or after maturity.

THIS PROMISSORY NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS AND THE LAWS OF THE UNITED STATES OF AMERICA.

IN WITNESS WHEREOF, Borrower has caused this Promissory Note to be executed and delivered by its officer thereunto duly authorized effective as of the date first above written.

POWELL INDUSTRIES, INC.

By: _____

Name: _____

Title: _____

EXHIBIT 1.7
FORM OF NOTICE OF ELECTION

[Date]

NationsBank of Texas, N.A.
901 Main Street
Dallas, TX 75202

Gentlemen:

Pursuant to that certain Credit Agreement dated as of July 15, 1991 (as amended, extended, supplemented or restated from time to time, the "Agreement," the terms defined therein being used herein as therein defined) between Powell Industries, Inc. ("Borrower"), and NationsBank of Texas, N.A. ("Lender"), Borrower hereby;

1. Requests that an Advance be made under the Agreement (the "Proposed Advance"), which request is made pursuant to SECTION 1.7 of the Agreement.
2. In connection with the Proposed Advance, set forth below is the information required by SECTION 1.7 of the Agreement with respect to such Proposed Advance:
 - a. Information applicable to the Proposed Advance:
 - i. The interest rate applicable to the Proposed Advance is the _____ Rate.
 - ii. The date of the Proposed Advance is _____.
 - iii. The aggregate principal amount of the Proposed Advance is \$_____.
 - b. Certifies that the amount of the Proposed Advance does not exceed the amount available under the Commitment.
 - c. Requests that the proceeds of the Proposed Advance be deposited in the following account maintained by Borrower with Lender (enter account number):_____.

Dated: _____, 199__.

Very truly yours,

POWELL INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT 2.1A

OUTSTANDING LETTERS OF CREDIT AS OF 4/18/95

L/C #	BENEFICIARY	START DATE	EXPIRATION DATE	AMOUNT OUTSTANDING
117976	TAIWAN POWER COMPANY	3-30-92	9-30-95	\$ 57,539.00
119470	NATIONAL COMMERCIAL BANK	5-5-92	7-20-95	\$ 226,743.70
125457	ISRAEL ELECTRIC COMPANY	12-17-92	11-30-95	\$ 252,037.00
131006	LIBERTY MUTUAL INSURANCE	9-1-93	9-1-95	\$ 234,872.00
134230	ISRAEL ELECTRIC COMPANY	11-12-93	9-30-95	\$ 24,370.00
135587	TAIWAN POWER COMPANY	1-28-94	2-1-96	\$ 49,776.00
135594	KENNECOT UTAH COPPER SMELTER	2-10-94	7-1-96	\$ 138,590.50
135646	KIEWIT/STONE AND WEBSTER JV	4-29-94	6-30-96	\$ 25,998.60
139700	BLACK AND VEATCH INTERNATIONAL	5-19-94	11-30-95	\$ 36,615.90
139709	TAIWAN POWER COMPANY	6-9-94	8-31-95	\$ 56,853.00
139718	DUPAGE WATER COMMISSION	6-23-94	8-28-95	\$ 69,391.65
142697	HUNGARIAN OIL AND GAS	8-29-94	5-1-95	\$ 25,000.00
142711	NATIONAL COMMERCIAL BANK	9-9-94	10-14-96	\$ 45,128.80
142742	MUSTANG ENGINEERING	10-25-94	6-1-95	\$ 118,472.00
145379	UMW CORPORATION SD	2-8-95	6-30-95	\$1,179,206.50
145364	UMW CORPORATION	1-11-95	6-30-95	\$ 393,069.00
145398	UMW CORPORATION SD	2-28-95	6-30-95	\$1,057,617.00
145406	THE HUNGARIAN OIL AND GAS	3-13-95	5-1-95	\$ 25,000.00
TOTAL				
\$4,016,280.65				

The Schedule contains summary financial information extracted from the Company's unaudited pro forma condensed consolidated financial statements for the quarter ended April 30, 1995 and is qualified in its entirety by reference to such financial statements

	1,000	
	3-MOS	
OCT-31-1995		
APR-30-1995		1,238
	0	
	37,395	
	851	
	19,301	
	72,560	43,772
	27,755	
	95,866	
30,451		0
		105
0		0
	54,249	
95,866		41,398
	41,398	32,459
	32,459	
	6,616	
	0	
	145	
	2,178	
	720	
0		
	0	
	0	
		0
	1458	
	0.14	
	0	

