

DNP SELECT INCOME FUND INC
Form N-Q
March 15, 2019
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-4915

DNP Select Income Fund Inc.

(Exact name of registrant as specified in charter)

200 South Wacker Drive, Suite 500, Chicago, Illinois 60606

(Address of principal executive offices) (Zip code)

| | |
|-----------------------------------|----------------------------|
| Alan M. Meder | Lawrence R. Hamilton, Esq. |
| DNP Select Income Fund Inc. | Mayer Brown LLP |
| 200 South Wacker Drive, Suite 500 | 71 South Wacker Drive |
| Chicago, Illinois 60606 | Chicago, Illinois 60606 |

(Name and address of agents for service)

Registrant's telephone number, including area code: (312) 263-2610

Date of fiscal year end: October 31

Date of reporting period: January 31, 2019

Item 1. Schedule of Investments.

See the Statement of Net Assets below.

DNP SELECT INCOME FUND INC.
STATEMENT OF NET ASSETS
January 31, 2019
(Unaudited)

| Shares | Description | Value |
|---------------------------------------|--------------------------------------------------------|----------------|
| COMMON STOCKS & MLP INTERESTS--118.2% | | |
| ELECTRIC, GAS AND WATER--82.6% | | |
| 2,416,240 | Alliant Energy Corp. ^(a) | \$ 107,450,193 |
| 1,538,000 | Ameren Corp. ^(a) | 106,644,920 |
| 1,106,000 | American Electric Power Co., Inc. ^(a) | 87,506,720 |
| 1,000,000 | American Water Works Co. ^(a) | 95,670,000 |
| 732,000 | Atmos Energy Corp. ^{(a)(b)} | 71,465,160 |
| 3,071,300 | CenterPoint Energy, Inc. ^{(a)(b)} | 94,964,596 |
| 2,131,500 | CMS Energy Corp. ^(a) | 111,136,410 |
| 1,147,000 | Dominion Energy, Inc. ^{(a)(b)} | 80,565,280 |
| 955,000 | DTE Energy Co. ^(a) | 112,451,250 |
| 1,000,000 | Edison International ^(a) | 56,970,000 |
| 1,296,855 | Emera Inc. (Canada) | 45,423,993 |
| 1,592,441 | Evergy, Inc. ^(a) | 91,278,718 |
| 1,568,900 | Eversource Energy ^{(a)(b)} | 108,897,349 |
| 567,700 | NextEra Energy, Inc. ^(a) | 101,606,946 |
| 1,010,250 | Nextera Energy Partners, LP | 40,571,640 |
| 2,655,000 | NiSource Inc. ^{(a)(b)} | 72,428,400 |
| 800,000 | Northwest Natural Holding Co. | 50,080,000 |
| 2,300,000 | OGE Energy Corp. ^{(a)(b)} | 94,185,000 |
| 576,000 | ONE Gas, Inc. | 47,318,400 |
| 1,000,000 | Pinnacle West Capital Corp. ^(a) | 88,120,000 |
| 1,800,000 | Public Service Enterprise Group Inc. ^{(a)(b)} | 98,190,000 |
| 900,000 | Sempra Energy ^{(a)(b)} | 105,282,000 |
| 1,500,000 | South Jersey Industries, Inc. | 44,670,000 |
| 2,000,000 | Southern Co. ^(a) | 97,200,000 |
| 903,000 | Spire Inc. | 71,671,110 |
| 1,500,000 | WEC Energy Group, Inc. ^(a) | 109,545,000 |
| 2,000,000 | Xcel Energy Inc. ^(a) | 104,720,000 |
| | | 2,296,013,085 |

The accompanying note is an integral part of this financial statement.

DNP SELECT INCOME FUND INC.
STATEMENT OF NET ASSETS — (Continued)
January 31, 2019
(Unaudited)

| Shares | Description | Value |
|-----------|------------------------------------------------------------|--------------|
| | OIL & GAS STORAGE, TRANSPORTATION AND PRODUCTION--21.0% | |
| 184,729 | Andeavor Logistics LP | \$ 6,629,924 |
| 595,765 | Antero Midstream GP LP | 7,995,166 |
| 435,000 | Antero Midstream Partners LP | 10,957,650 |
| 325,000 | Cheniere Energy Partners, LP | 13,208,000 |
| 431,000 | DCP Midstream LP | 14,451,430 |
| 1,558,145 | Enbridge Inc. (Canada) | 57,059,270 |
| 2,579,062 | Energy Transfer Equity LP | 37,938,002 |
| 1,184,500 | EnLink Midstream, LLC | 12,887,360 |
| 1,336,000 | Enterprise Products Partners LP | 36,967,120 |
| 115,000 | EQM Midstream Partners, LP | 5,262,400 |
| 505,000 | GasLog Partners LP (Marshall Islands) | 11,458,450 |
| 1,835,026 | Kinder Morgan, Inc. ^(a) | 33,213,971 |
| 407,090 | Magellan Midstream Partners LP | 25,015,681 |
| 852,185 | MPLX LP | 29,928,737 |
| 175,444 | Noble Midstream Partners LP | 5,649,297 |
| 312,150 | ONEOK, Inc. | 20,043,152 |
| 717,000 | Pembina Pipeline Corp. (Canada) | 25,561,517 |
| 278,419 | Phillips 66 Partners LP | 13,648,099 |
| 1,118,900 | Plains All American Pipeline, LP | 25,477,353 |
| 530,625 | Shell Midstream Partners LP | 10,782,300 |
| 953,305 | Tallgrass Energy, LP | 22,717,258 |
| 590,120 | Targa Resources Corp. | 25,381,061 |
| 1,375,500 | TransCanada Corp. (Canada) ^(a) | 58,486,260 |
| 672,020 | Westlake Chemical Partners LP | 15,362,377 |
| 332,000 | Western Gas Partners LP | 16,055,520 |
| 1,538,500 | The Williams Companies, Inc. | 41,431,805 |
| | | 583,569,160 |

The accompanying note is an integral part of this financial statement.

DNP SELECT INCOME FUND INC.
STATEMENT OF NET ASSETS — (Continued)
January 31, 2019
(Unaudited)

| Shares | Description | Value |
|-----------|------------------------------------------------------------|---------------|
| | TELECOMMUNICATIONS--14.6% | |
| 289,000 | American Tower Corp. | \$ 49,950,760 |
| 2,129,000 | AT&T Inc. ^(a) | 63,997,740 |
| 951,515 | BCE Inc. (Canada) ^(a) | 41,390,903 |
| 800,000 | CenturyLink Inc. | 12,256,000 |
| 690,400 | Crown Castle International Corp. ^{(a)(b)} | 80,818,224 |
| 1,000,000 | Orange SA (France) | 15,570,891 |
| 1,280,300 | Telus Corp. (Canada) | 44,863,631 |
| 1,502,089 | Verizon Communications Inc. ^{(a)(b)} | 82,705,020 |
| 782,200 | Vodafone Group Plc ADR (United Kingdom) | 14,267,328 |
| | | 405,820,497 |
| | Total Common Stocks & MLP Interests (Cost \$2,458,087,863) | 3,285,402,742 |

Par Value

BONDS--16.3%

| | | |
|--------------|-----------------------------------------------------------------|------------|
| | ELECTRIC, GAS AND WATER--8.1% | |
| \$ 9,000,000 | American Water Capital Corp. 3.40%, 3/01/25 ^(a) | 8,974,489 |
| 22,000,000 | Arizona Public Service Co. 6 7/8%, 8/01/36 ^{(a)(b)} | 27,535,099 |
| 10,450,000 | Atmos Energy Corp. 8 1/2%, 3/15/19 | 10,521,782 |
| 9,000,000 | CMS Energy Corp. ^(a) 5.05%, 3/15/22 | 9,435,389 |
| 5,000,000 | Connecticut Light & Power Co. 3.20%, 3/15/27 | 4,906,065 |
| 10,000,000 | DPL Capital Trust II 8 1/8%, 9/01/31 | 9,794,700 |
| 6,400,000 | DTE Electric Co. 3.65%, 3/15/24 | 6,550,142 |
| 4,875,000 | DTE Electric Co. 3.45%, 10/01/20 | 4,896,547 |
| 5,600,000 | Edison International 4 1/8%, 3/15/28 | 4,919,666 |
| 9,500,000 | Entergy Louisiana, LLC 5.40%, 11/01/24 | 10,520,723 |
| 5,000,000 | Entergy Louisiana, LLC | |

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| | | |
|------------|----------------------------|------------|
| | 4.44%, 1/15/26 | 5,149,061 |
| 4,000,000 | Entergy Texas, Inc. | |
| | 4.00%, 3/30/29 | 4,014,098 |
| 7,000,000 | Eversource Energy | |
| | 4 1/4%, 4/01/29 | 7,310,391 |
| 10,000,000 | Florida Power & Light Co. | |
| | 3 1/4%, 6/01/24 | 10,065,709 |
| 4,000,000 | Indiana Michigan Power Co. | |
| | 3.20%, 3/15/23 | 3,995,849 |

The accompanying note is an integral part of this financial statement.

DNP SELECT INCOME FUND INC.
STATEMENT OF NET ASSETS — (Continued)
January 31, 2019
(Unaudited)

| Par Value | Description | Value |
|--------------|-----------------------------------------------------------------------|--------------|
| \$10,000,000 | Interstate Power & Light 3 1/4%, 12/01/24 | \$ 9,877,031 |
| 6,000,000 | Nevada Power Co. 7 1/8%, 3/15/19 | 6,028,758 |
| 7,000,000 | NiSource Finance Corp. 3.49%, 5/15/27 | 6,780,636 |
| 5,000,000 | Ohio Power Co. 6.60%, 2/15/33 | 6,301,042 |
| 10,345,000 | Oncor Electric Delivery Co. LLC 7.00%, 9/01/22 ^{(a)(b)} | 11,712,749 |
| 14,000,000 | Progress Energy Inc. 7.05%, 3/15/19 | 14,069,008 |
| 5,000,000 | Public Service Electric 3.00%, 5/15/25 | 4,922,703 |
| 5,000,000 | Public Service New Mexico 3.85%, 8/01/25 | 4,988,211 |
| 9,000,000 | Sempra Energy 3.55%, 6/15/24 | 8,795,379 |
| 8,000,000 | Southern Power Co. 4.15%, 12/01/25 | 7,968,083 |
| 10,000,000 | Virginia Electric & Power Co. 3.15%, 1/15/26 | 9,829,763 |
| 4,000,000 | Wisconsin Energy Corp. 3.55%, 6/15/25 | 4,007,917 |
| | | 223,870,990 |
| | OIL & GAS STORAGE, TRANSPORTATION AND PRODUCTION--4.1% | |
| 6,488,000 | Energy Transfer Partners 7.60%, 2/01/24 | 7,321,319 |
| 8,850,000 | Energy Transfer Partners 8 1/4%, 11/15/29 | 10,890,621 |
| 6,000,000 | Enterprise Products Operating LP 5.20%, 9/01/20 | 6,198,617 |
| 6,000,000 | Enterprise Products Operating LP 3.35%, 3/15/23 | 6,016,189 |
| 12,826,000 | EQT Corp. 8 1/8%, 6/01/19 | 13,001,791 |
| 8,030,000 | Kinder Morgan, Inc. 6.85%, 2/15/20 | 8,316,842 |
| 9,000,000 | Magellan Midstream Partners, LP 5.00%, 3/1/26 | 9,572,198 |

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| | | |
|------------|---------------------------------------------------------|-------------|
| 11,000,000 | ONEOK, Inc. 6.00%, 6/15/35 | 11,629,237 |
| 9,000,000 | ONEOK Partners, LP 8 5/8%, 3/01/19 | 9,032,753 |
| 7,000,000 | Phillips 66 3.90%, 3/15/28 | 7,032,165 |
| 5,000,000 | Plains All American Pipeline, LP 4.65%, 10/15/25 | 5,078,634 |
| 9,210,000 | TransCanada PipeLines Ltd. (Canada) 3 3/4%, 10/16/23 | 9,388,891 |
| 10,000,000 | Williams Partners LP 3.60%, 3/15/22 | 10,040,879 |
| | | 113,520,136 |

The accompanying note is an integral part of this financial statement.

DNP SELECT INCOME FUND INC.
STATEMENT OF NET ASSETS — (Continued)
January 31, 2019
(Unaudited)

| Par Value | Description | Value |
|--------------|------------------------------------------------------------------------|---------------|
| | TELECOMMUNICATIONS--3.8% | |
| \$ 4,500,000 | American Tower Corp. 5.00%, 2/15/24 | \$ 4,755,169 |
| 5,500,000 | American Tower Corp. 3.00%, 6/15/23 | 5,376,627 |
| 10,000,000 | BellSouth Capital Funding Corp. 7 7/8%, 2/15/30 ^(a) | 12,055,375 |
| 15,000,000 | CenturyLink Inc. 6 7/8%, 1/15/28 | 13,722,000 |
| 5,900,000 | Comcast Corp. 7.05%, 3/15/33 | 7,595,133 |
| 9,385,000 | Crown Castle International Corp. 4.45%, 2/15/26 | 9,617,714 |
| 15,000,000 | Koninklijke KPN NV (Netherlands) 8 3/8%, 10/01/30 ^{(a)(b)} | 19,726,918 |
| 5,000,000 | TCI Communications Inc. 7 1/8%, 2/15/28 | 6,197,104 |
| 15,500,000 | Verizon Global Funding Corp. 7 3/4%, 12/01/30 | 20,089,209 |
| 5,000,000 | Vodafone Group Plc (United Kingdom) 7 7/8%, 2/15/30 | 6,330,347 |
| | | 105,465,596 |
| | NON-UTILITY--0.3% | |
| 8,000,000 | Dayton Hudson Corp. 9 7/8%, 7/01/20 ^{(a)(b)} | 8,723,329 |
| | | 8,723,329 |
| | Total Bonds (Cost \$448,431,684) | 451,580,051 |
| | SHORT-TERM INVESTMENT--4.7% | |
| | U.S. TREASURY BILLS--4.7% | |
| 132,000,000 | 2.37%, 2/26/19 ^(c) | 131,784,125 |
| | Total Short-Term Investment (Cost \$131,785,867) | 131,784,125 |
| | TOTAL INVESTMENTS--139.2% (Cost \$3,038,305,414) | 3,868,766,918 |
| | Secured borrowings--(14.4)% | (400,000,000) |
| | Secured notes--(10.8)% | (300,000,000) |
| | Mandatory Redeemable Preferred Shares at liquidation value--(15.5)% | (432,000,000) |
| | Other assets less other liabilities--1.5% | 43,239,644 |

| | |
|-----------------------------------------------|-----------------|
| NET ASSETS APPLICABLE TO COMMON STOCK--100.0% | \$2,780,006,562 |
|-----------------------------------------------|-----------------|

The accompanying note is an integral part of this financial statement.

DNP SELECT INCOME FUND INC.
STATEMENT OF NET ASSETS — (Continued)
January 31, 2019
(Unaudited)

(a) All or a portion of this security has been pledged as collateral for borrowings and made available for loan.

(b) All or a portion of this security has been loaned.

(c) Rate shown represents yield-to-maturity.

The percentage shown for each investment category is the total value of that category as a percentage of the net assets applicable to common stock of the Fund.

Note 1. Investment Valuation

The Fund's investments are carried at fair value which is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. The three-tier hierarchy of inputs established to classify fair value measurements for disclosure purposes is summarized in the three broad levels listed below.

Level 1 - quoted prices in active markets for identical securities

Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risks, etc.)

Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments)

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The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in these securities. For more information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements contained in its annual report. The following is a summary of the inputs used to value each of the Fund's investments at January 31, 2019:

| | Level 1 | Level 2 |
|---------------------------------------|-----------------|---------------|
| Common stocks & MLP interest | \$3,285,402,742 | - |
| Bonds | - | \$451,580,051 |
| Short-Term Investment | - | 131,784,125 |
| Total | \$3,285,402,742 | \$583,364,176 |

There were no Level 3 priced securities held and there were no transfers into or out of Level 3.

Other information regarding the Fund is available on the Fund's website at www.dpimc.com/dnp or the Securities and Exchange Commission's website at www.sec.gov.

Item 2. Controls and Procedures.

The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the (a) "1940 Act")) are effective, based on an evaluation of those controls and procedures made as of a date within 90 days of the filing date of this report as required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934.

There has been no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) (b) under the 1940 Act) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

Exhibit 99.CERT Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) DNP SELECT INCOME FUND INC.

By (Signature and Title) /s/ Nathan I. Partain
Nathan I. Partain
President and Chief Executive Officer
(Principal Executive Officer)

Date March 15, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title) /s/ Nathan I. Partain
Nathan I. Partain
President and Chief Executive Officer
(Principal Executive Officer)

Date March 15, 2019

By (Signature and Title) /s/ Alan M. Meder
Alan M. Meder
Treasurer and Assistant Secretary
(Principal Financial and Accounting Officer)

Date March 15, 2019