DUFF & PHELPS UTILITIES INCOME INC
Form N-30D
February 28, 2001

Dear Fellow Shareholders:

Performance Review: We are very pleased to report that your Fund had a total return (market price change plus income) of 37.4% for 2000. This compares very favorably to the 7.9% average return reported by Lipper Analytical Services Inc. for Utility Funds, 6.8% for Equity Income Funds, -35.1% for Telecommunications Funds, and -9.1% for the Standard and Poor's 500 Index. The Fund, whose portfolio contains approximately 25% bonds, also surpassed the Lehman Brothers Utility Bond Index, which had a 9.6% annual total return.

In pursuit of its objective of current income, the Fund declared twelve monthly 6.5 cent per share dividends during 2000, plus an extra one cent per share in the final dividend of the year. This was the tenth "extra" dividend in the last thirteen years. The 6.5 cent per share monthly rate, without compounding, would be 78 cents annualized or a 7.43% common stock dividend yield based on the December 31, 2000 closing price of $10.50 per share. That yield compares favorably with the 2000 year-end yield of 3.31% on the Dow Jones Utility Index and the 2.82% yield on the Standard and Poor's Utilities Index.

The road to favorable returns during 2000 had potentially axle-breaking potholes, as the widely divergent returns of the indexes and mutual fund groups cited above indicate. The telecommunications, electricity, and gas industries continue to undergo deregulatory evolution, with corporate mergers and acquisitions, asset acquisitions and divestitures, and diversification and globalization strategies presenting many investment challenges and also many opportunities. The California electric utility troubles are the most extreme example of challenges facing utility companies and investors alike in the new era. At year-end 2000, the Fund held only approximately one tenth of one percent of its assets in investments directly related to the California situation.

Annually, as an investment discipline, several Fund analysts prepare industry reviews. Following are highlights from those reviews.

Got Natural Gas? A new breed of merchant energy companies--marketers, traders, and independent generators--operating largely unfettered from regulation, led the gas sector performance rankings. Dynegy Inc. common stock had a total return of 220% in calendar year 2000 and The Coastal Corporation (now a part of El Paso Energy Corporation) returned 159%. Even the more traditional gas local distribution companies (LDCs) provided a robust 26% total return.

Several factors combined to get the natural gas group firing on all cylinders. First, a tight gas supply environment drove commodity prices to record levels. Companies owning or controlling natural gas enjoyed a spike in revenue and earnings. The demand/supply imbalance was the result of a drop in production, increased consumption from natural gas fired electricity generating capacity, limited increase in Canadian imports, and a decline in production rates from existing wells. Second, there were unprecedented increases both in gas price volatility and wholesale power prices. These conditions allowed the energy merchants in particular to sell more risk management services and realize greater margins in their trading and marketing businesses. Third, a very cold start to the winter season gave a valuation boost to the market's view of the group.

We expect 2001 to be another positive, albeit more modest, year for the gas group as many of the same dynamics from 2000 remain in place. Additionally, the group could benefit from the return of normal summer weather in the Northeast and Midwest. On the negative side, further declines in economic activity could rapidly erode demand, posing a significant challenge to performance. Further, the increase in commodity prices has resulted in large gas bills to retail customers which could ignite regulatory and public relations problems for some LDCs. The Fund will remain focused on companies which will not be "squeezed" should prices remain high.

Telecommunications--Down But Not Out. The year 2000 was tough for the telecommunications industry. It is said, "A rising tide lifts all boats," and such had been the case with the telecommunications stocks in 1998 and 1999. Conversely, when the tide went out, companies with poorly designed and underfunded business plans were left stranded. However, because the Fund has focused on high quality investments, the telecom stocks in our portfolio performed relatively well compared to the rest of the industry.

What can we expect in 2001? First and foremost, it is important to remember that telecommunications is a growth industry and in general the fundamentals are quite strong. Sales of telecommunications services have grown at a rate of 2-3 times aggregate national economic growth over the last 20 years, and we see no major change in that trend. However, there have been some disruptions to this growth model which began last year and are continuing into 2001. One is the extreme price discounting in the long distance voice market as a result of increased competitive pressures. Long haul pricing appears to have stabilized for now, but we need to see a continuation of rational pricing for growth to resume. The other problem has been the heavy level of capital spending, by new and old companies alike, to take advantage of emerging technologies. Although this additional investment is necessary to grow the business, there usually is an initial period when the revenue and margins from the growth initiatives lag behind the expenditures. We are in one of those periods now, but hope to see modest improvement in returns later in the year.

The second important trend impacting this industry is the scarcity value of network assets at the local level. The sophisticated long distance networks, which offer greatly increased capacity and services, are nearing completion. However, the full utilization of those networks is hampered by a bottleneck at the local consumer level, or "the last mile". The valuable, existing local access infrastructure is controlled by old-line operating companies both domestically and internationally. We have favored the local access companies for some time, and they remain the cornerstone of our telecom holdings.

The final trend to highlight is how important a healthy balance sheet has become in this industry. Many companies took on huge sums of debt to finance wireless licenses and big expansion plans. At the time, bankers and investors were all too happy to accommodate the demand for credit. But, when the equity markets sank last year, so did the companies' debt refinancing plans as well as their credit ratings. Standard & Poor's Ratings Services reported that during 2000 telecommunication company bond downgrades outpaced upgrades by 42 to 17. The value of outstanding debt downgraded was more than 6 times the value upgraded. We have watched this trend with great interest and have been able to invest in some attractively priced bonds of financially strong companies as a result. However, stock performance may remain constrained until balance sheets are cleaned up.

A Long Dark Winter in California. Electric utility industry observers gave a sigh of relief after California narrowly avoided massive power outages and blackouts last summer. Many believed that the risks were over when summer passed and that state and federal regulators would have until the next summer's seasonal peak in electricity demand to fix the industry's problems. However, it became clear that the summer of 2000 problem was just the tip of the iceberg when the California electric utilities were once again thrust into the national spotlight during the uncharacteristically cold fourth quarter. The power supply situation has now reached a full-fledged crisis. A shortage of power has sent prices skyrocketing and rolling blackouts have been implemented in the northern part of the state. California's Governor and legislators, the Federal Energy Regulatory Commission, the Department of Energy, and even the U.S. Senate have all gotten involved as two of the industry's premiere electric utilities (Pacific Gas & Electric Company and Southern California Edison Company) stand on the edge of bankruptcy.

How did this happen? A combination of factors came into play. First, inefficiencies were inadvertently designed into the power market created by California deregulation legislation. Second, a shortage of power resulted from years of population and industrial growth unaccompanied by generation and transmission capacity growth. Third, higher fuel and purchased power costs resulted from: poor hydroelectric conditions, a return to more normal weather following three mild years, and nationwide high natural gas prices following a period of low exploration and development. These factors increased the cost of power. At the same time, California utilities were forced to sell power to consumers at a rate capped by regulators.

In an attempt to fix the problems, California legislators have enacted new laws that change the course of deregulation. The goal of providing competitive sources of electricity for retail consumers has essentially been halted, and due to the adverse credit position of the investor-owned utilities, a state agency (The Department of Water Resources) is now responsible for buying power for utility customers.

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The Governor and legislators are engaged in vigorous efforts to keep Pacific Gas & Electric Company and Southern California Edison Company from being pulled into bankruptcy. At this time it is unclear how the California scenario will be resolved. What is clear is that the California debacle has impacted other states throughout the country. Several states (including Arkansas, Nevada, North Carolina, and New Mexico) have scaled back deregulation efforts pending further reviews. Those states that have deregulated are reexamining their positions with emphasis on making sure that they have adequate supply. We view the higher level of state regulatory scrutiny as positive and expect that deregulation will be slowed, but not stopped or repealed.

Your Fund's team of analysts and portfolio managers seek to steer the Fund's portfolio away from risky investments, but we expect to continue to meet our goal of consistency of income to which shareholders have become accustomed.

Board of Directors Meeting--At the December Special Board of Directors' meeting, the Board declared the following monthly dividends:

Cents Per Share	Record Date	Payable Date
7.5 cents	December 29	January 10
6.5 cents	January 31	February 12
6.5 cents	February 28	March 12

At the regular February Board of Directors' meeting, the Board declared the following monthly dividends:

Cents Per Share	Record Date	Payable Date
6.5 cents	March 30	April 10
6.5 cents	April 30	May 10

Automatic Dividend Reinvestment Plan and Direct Deposit Service--The Fund has a dividend reinvestment plan available to all registered shareholders.

Those shareholders whose shares are held for them by a brokerage house or nominee in "street-name" may not participate in the Fund's automatic dividend reinvestment plan. For such shareholders desiring automatic dividend reinvestment, we suggest you contact your broker or other nominee.

As an added service, the Fund offers direct deposit service through electronic funds transfer to all registered shareholders currently receiving a monthly dividend check. This service is offered through The Bank of New York. For more information and/or an authorization form on automatic dividend reinvestment or direct deposit, please contact The Bank of New York.

Visit us on the Web--You can obtain the most recent shareholder financial report and dividend information at our web site http://www.duffutility.com.

We appreciate your interest in Duff & Phelps Utilities Income Inc., and we will continue to do our best to be of service to you.

/s/ Claire V. Hansen
/s/ Nathan I. Partain

Claire V. Hansen, CFA	Nathan I. Partain, CFA
Chairman	Chief Executive Officer and President

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors of
Duff & Phelps Utilities Income Inc.:

We have audited the accompanying balance sheet of Duff & Phelps Utilities Income Inc. (the "Fund") (a Maryland corporation), including the schedule of investments, as of December 31, 2000, and the related statements of operations and cash flows for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2000, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Duff & Phelps Utilities Income Inc. as of December 31, 2000, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

Chicago, Illinois
February 5, 2001

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DUFF & PHELPS UTILITIES INCOME INC.
SCHEDULE OF INVESTMENTS
December 31, 2000

COMMON STOCKS--74.3%

Shares	Company	Market Value (Note 1)
	[_] ELECTRIC--41.9%	
1,300,000	Allegheny Energy Inc.	$ 62,643,750
1,096,000	Dominion Resources	73,432,000
1,600,000	DTE Energy Co.	62,300,000
1,000,000	Duke Energy Corp.	85,250,000
1,593,400	Endesa S.A.	26,589,862
1,005,000	Entergy Corp.	42,524,062
1,575,000	Exelon Corp.	110,580,750
1,299,100	FPL Group Inc.	93,210,425
1,000,000	Keyspan Corp.	42,375,000
215,000	National Grid Group PLC ADR	9,755,625
770,000	National Grid Group PLC (United Kingdom)	6,940,926
2,256,600	NiSource Inc.	69,390,450
1,318,600	NSTAR	56,534,975
1,120,000	Pinnacle West Capital Corp.	53,340,000
1,000,000	Public Service Enterprise Group	48,625,000
700,000	Puget Sound Energy Inc.	19,468,750
1,500,000	Reliant Energy Inc.	64,968,750
850,000	Scottish & Southern Energy (United Kingdom)	7,846,154
200,000	Scottish & Southern Energy ADR	18,463,460
1,000,000	Scottish Power PLC ADR	30,312,500
1,182,600	Sierra Pacific Resources	18,995,512
2,500,000	Southern Co.	83,125,000
834,800	Vectren Corp.	21,391,750
1,000,000	Xcel Energy Inc.	29,062,500
		1,137,127,201
	[_] GAS--8.9%	
926,000	AGL Resources	20,429,875
1,004,800	El Paso Energy Corp.	71,968,800
400,000	National Fuel Gas Co.	25,175,000

2,050,000	Utilicorp United Inc.	63,550,000
1,500,000	Williams Companies Inc.	59,906,250
		241,029,925

The accompanying notes are an integral part of the financial statements.

DUFF & PHELPS UTILITIES INCOME INC.
SCHEDULE OF INVESTMENTS--(Continued)
December 31, 2000

Shares	Company	Market Value (Note 1)
	[_] TELECOMMUNICATION--14.6%	
1,000,000	Alltell Corp.	$ 62,437,500
1,730,000	BellSouth Corp.	70,821,875
2,137,230	SBC Communications Inc.	102,052,733
700,000	Swisscom AG ADR.....................................	17,937,500
900,000	Tele-Danmark A/S ADR	18,281,250
856,250	Telecom Corp. of New Zealand Interim ADR	14,288,672
1,068,400	Telstra Corp. ADR	18,964,100
1,819,000	Verizon Communications	91,177,375
		395,961,005
	[_] NON-UTILITY--8.9%	
258,600	Apartment Investment & Management Co.	12,913,837
200,000	Avalon Bay Communities Inc.	10,025,000
409,000	Boston Properties Inc.	17,791,500
79,900	Camden Property Trust	2,676,650
347,400	CBL & Associates Properties Inc.	8,793,562
403,600	Centerpoint Properties Corporation	19,070,100
301,000	Chelsea GCA Realty Inc.	11,099,375
200,000	Developers Diversified Realty Corp.	2,662,500
495,000	Duke-Weeks Realty Corp.	12,189,375
315,825	Equity Office Properties Trust......................	10,303,791
200,000	Equity Residential Properties Trust	11,062,500
269,000	Essex Property Trust Inc.	14,727,750
278,100	First Industrial Realty Trust	9,455,400
250,000	General Growth Properties, Inc.	9,046,875
200,000	Kimco Realty Corp.	8,837,500
215,000	Macerich Co.	4,125,312
95,000	Mack-Cali Realty Corp.	2,713,438
370,600	ProLogis Trust	8,245,850
525,100	Reckson Associates Realty Corp.	13,160,319
171,545	Reckson Associates Realty Corp. Class B.............	4,663,880
272,200	Smith Charles E. Residential Realty Inc.	12,793,400
371,100	Spieker Properties Inc.	18,601,388
465,800	Vornado Realty Trust	17,845,963
		242,805,265
	Total Common Stocks (Cost--$1,602,844,345)..........	2,016,923,396

The accompanying notes are an integral part of the financial statements.

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DUFF & PHELPS UTILITIES INCOME INC.
SCHEDULE OF INVESTMENTS--(Continued)
December 31, 2000

Shares	Company	Market Value (Note 1)
	PREFERRED STOCKS--6.9%	
	[_] NON-UTILITY--1.1%	
500,000	Cox Communications Inc. 7% 8/16/02	$ 31,000,000
		31,000,000
	[_] UTILITY--5.8%	
450,000	Dominion Resources 9 1/2% 11/16/04	28,125,000
700,000	Duke Capital Financing Trust III 8 3/8% 8/31/29	18,375,000
223,500	EIX Trust II Series B 8.60% 10/29/29	3,687,750
550,000	MediaOne Group 7.00% 11/15/02	19,593,750
500,000	NiSource Industries Inc. 7.75% 2/19/03	27,093,750
209,000	P P & L Capital Trust II 8.10% 7/01/27	5,225,000
789,100	Texas Utilities Co. 9 1/4% 8/16/02	39,800,231
450,900	Utilicorp United Inc. 9 3/4% 11/16/02	15,217,875
		157,118,356
	Total Preferred Stocks (Cost--$175,085,503)	188,118,356

The accompanying notes are an integral part of the financial statements.

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DUFF & PHELPS UTILITIES INCOME INC.
SCHEDULE OF INVESTMENTS--(Continued)
December 31, 2000

BONDS--19.3%

		Ratings*			
Par Value	Company	Fitch IBCA, Duff & Phelps	Moody's	Standard and Poor's	Market Value (Note 1)
	[_] ELECTRIC--10.1%				
$ 5,000,000	AES Ironwood Corp. 8.857%, due 11/30/25	Not Rated	Baa3	BBB-	$ 4,970,295
23,101,000	Alabama Power Co. 9%, due 12/01/24	AA-	A1	A	24,481,262
18,050,000	Comed Financing II 8 1/2%, due 1/15/27	Not Rated	Baa3	BBB	17,912,658

7,500,000	Commonwealth Edison Co. 9 7/8%, due 6/15/20......	A-	Baa1	A-	8,423,932
8,850,000	Commonwealth Edison Co. 8 5/8%, due 2/01/22......	A-	Baa1	A-	9,206,903
5,000,000	Commonwealth Edison Co. 8 3/8%, due 9/15/22......	A-	Baa1	A-	5,178,340
10,000,000	Commonwealth Edison Co. 8 3/8%, due 2/15/23......	A-	Baa1	A-	10,293,070
24,000,000	Dominion Resources Capital Trust 7.83%, due 12/01/27......	BBB	Baa1	BBB-	21,718,632
5,000,000	Gulf States Utilities 8.94%, due 1/01/22.......	BBB	Baa3	BBB-	5,355,580
8,800,000	Hydro--Quebec 9 3/4%, due 1/15/18......	AA-	A2	A+	9,317,572
5,000,000	Illinois Power Co. 7 1/2%, due 7/15/25......	A-	Baa1	BBB+	4,867,710
5,000,000	Louisiana Power & Light Co. 8 3/4%, due 3/01/26......	BBB+	Baa2	BBB	5,197,510
4,000,000	New York State Electric & Gas Corp. 8 7/8%, due 11/01/21.....	A	A3	A	4,197,028
27,580,000	Potomac Electric Power Co. 9%, due 6/01/21..........	A+	A1	A	28,867,765
10,000,000	Public Service Co. of Colorado 8 3/4%, due 3/01/22......	A	A3	A	10,414,230
22,750,000	Puget Capital Trust 8.231%, due 6/01/27......	Not Rated	Baa2	BBB-	21,824,121
3,000,000	Rochester Gas & Electric Corp. 9 3/8%, due 4/01/21......	A-	A3	A-	3,136,662
13,000,000	Southern Co. Capital Trust 8.14%, due 2/15/27.......	Not Rated	A3	BBB+	12,311,676

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DUFF & PHELPS UTILITIES INCOME INC.
SCHEDULE OF INVESTMENTS--(Continued)
December 31, 2000

		Ratings*			
Par Value	Company	Fitch IBCA, Duff & Phelps	Moody's	Standard and Poor's	Market Value (Note 1)
$27,830,000	Texas Utilities Electric Co. 9 3/4%, due 5/01/21.....	A-	A3	BBB+	$ 29,585,015
12,000,000	UtiliCorp United Inc. 8%, due 3/01/23.........	BBB	Baa3	BBB	11,532,012
5,000,000	Virginia Electric &				

	Power Co.				
	8 5/8%, due 10/01/24....	A+	A2	A	5,230,140
17,700,000	Virginia Electric & Power Co.				
	8 1/4%, due 3/01/25.....	A+	A2	A	18,120,127
					272,142,240
	[_] GAS--2.2%				
5,125,000	ANR Pipeline Co.				
	9 5/8%, due 11/01/21....	Not Rated	Baa1	BBB+	6,121,751
5,000,000	KN Energy Inc.				
	7 1/4%, due 3/01/28.....	BBB-	Baa2	BBB-	4,782,280
10,000,000	Phillips Petroleum Co.				
	9.18%, due 9/15/21......	BBB	Baa2	BBB	10,622,090
5,000,000	Southern California Gas Co.				
	8 3/4%, due 10/01/21....	AA	A1	AA-	5,262,845
6,488,000	Southern Union Co.				
	7.60%, due 2/01/24......	BBB+	Baa2	BBB+	6,036,014
8,850,000	Southern Union Co.				
	8 1/4%, due 11/15/29....	BBB+	Baa2	BBB+	8,814,042
10,000,000	TE Products Pipeline Co.				
	7.51%, due 1/15/28......	Not Rated	Baa2	BBB+	9,148,970
9,000,000	Trans-Canada Pipeline				
	9 1/8%, due 4/20/06.....	Not Rated	A3	BBB	9,944,784
					60,732,776
	[_] TELECOMMUNICATION--5.3%				
44,000,000	AT & T Corp.				
	8.35%, due 1/15/25......	A-	A2	A	43,205,184
10,000,000	British Telecom PLC				
	8 5/8%, due 12/15/30....	A	A3	A	10,039,660
12,000,000	GTE California Inc.				
	8.07%, due 4/15/24......	AA	AA3	A+	12,291,900
17,625,000	GTE Corp.				
	7.90%, due 2/01/27......	A+	A2	A+	17,446,970
13,750,000	New England Telephone & Telegraph				
	9%, due 8/01/31.........	AA	Aa2	A+	14,721,795

The accompanying notes are an integral part of the financial statements.

DUFF & PHELPS UTILITIES INCOME INC.
SCHEDULE OF INVESTMENTS--(Continued)
December 31, 2000

		Ratings*			
Par Value	Company	Fitch IBCA, Duff & Phelps	Moody's	Standard and Poor's	Market Value (Note 1)
$ 9,000,000	New York Telephone Co.				
	7 5/8%, due 2/01/23.....	AA	A1	A+	$ 8,754,453
20,740,000	New York Telephone Co.				
	9 3/8%, due 7/15/31.....	AA	A1	A+	22,210,673

9,000,000	Tele-Commun Inc. 9.80%, due 2/01/12......	A-	A3	A-	10,471,986
5,000,000	US West Communications 8 7/8%, due 6/01/31.....	A	A2	BBB+	5,115,635
					144,258,256
	[_] NON-UTILITY--1.7%				
17,500,000	Contl Cablevision 9 1/2%, due 8/01/13.....	Not Rated	A2	AA-	19,162,010
8,000,000	Dayton Hudson Corp. 9 7/8%, due 7/01/20.....	A	A2	A	9,807,736
19,940,000	EOP Operating LP 7 1/2%, due 4/19/29.....	BBB+	Baa1	BBB+	18,019,479
					46,989,225
	Total Bonds (Cost--$543,400,970)				524,122,497

U.S. TREASURY OBLIGATIONS--2.8%		
66,000,000	U.S. Treasury Bonds 11 3/4%, due 2/15/01..............................	66,469,260
7,250,000	U.S. Treasury Notes 13 3/8%, due 8/15/01..............................	7,587,016
2,000,000	U.S. Treasury Bonds 10 3/4%, due 8/15/05..............................	2,453,908
	Total U.S. Treasury Obligations (Cost-- $89,017,734).......................................	76,510,184
COMMERCIAL PAPER--3.7%		
35,000,000	Citigroup Inc. 6.54%, due 1/02/01................................	34,993,642
35,000,000	Ford Motor Credit Corp. 6.54%, due 1/02/01................................	34,993,642
30,000,000	General Electric Capital Corp. 5.90%, due 1/02/01................................	29,995,083
	Total Commercial Paper (Amortized Cost-- $99,982,367).......................................	99,982,367
	TOTAL INVESTMENTS (Cost $2,510,330,919) (107.0%)....	$2,905,656,800

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*Bond ratings are not covered by the report of independent public accountants.

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

The accompanying notes are an integral part of the financial statements.

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DUFF & PHELPS UTILITIES INCOME INC.
BALANCE SHEET
December 31, 2000

ASSETS:
Investments at market value:

Common stocks (cost $1,602,844,345)	$2,016,923,396
Preferred stocks (cost $175,085,503)	188,118,356
Bonds (cost $543,400,970)	524,122,497
U.S. Treasury obligations (cost $89,017,734)	76,510,184
Commercial paper (amortized cost $99,982,367)	99,982,367
Interest-bearing deposits with custodian	3,623,782
Receivables:	
Securities sold	11,742,408
Interest	16,452,231
Dividends	6,839,544
Securities lending income	74,197
Prepaid expenses	74,112
Total Assets	$2,944,463,074
LIABILITIES:	
Payable for securities purchased	8,490,540
Due to Adviser (Note 2)	3,906,861
Due to Administrator (Note 2)	969,897
Dividends payable on common stock	15,820,182
Dividends payable on remarketed preferred stock	1,697,576
Accrued expenses	4,377,082
Commercial paper outstanding (Note 6)	193,187,392
Total Liabilities	228,449,530
CAPITAL:	
Remarketed preferred stock ($.001 par value; 100,000,000 shares authorized and 5,000 shares issued and outstanding, liquidation preference $100,000 per share) (Note 5)	500,000,000
Common stock ($.001 par value; 250,000,000 shares authorized and 210,935,760 shares issued and outstanding) (Note 4)	210,936
Paid-in surplus (Note 4)	1,883,219,299
Accumulated net realized loss on investments	(66,161,307)
Undistributed net investment income	3,415,147
Unrealized appreciation on foreign currency translation	3,588
Net unrealized appreciation on investments	395,325,881
Net assets applicable to common stock (equivalent to $10.51 per share based on 210,935,760 shares outstanding)	2,216,013,544
Total Capital (Net Assets)	2,716,013,544
Total Liabilities and Capital	$2,944,463,074

The accompanying notes are an integral part of the financial statements.

DUFF & PHELPS UTILITIES INCOME INC.
STATEMENT OF OPERATIONS
For the year ended December 31, 2000

INVESTMENT INCOME:	
Interest	$ 57,448,446
Dividends (less withholding tax of $838,454)	166,455,473

Securities lending income	1,341,999
Total investment income	225,245,918
EXPENSES:	
Commercial paper interest expense (Note 6)	12,877,742
Management fees (Note 2)	14,719,244
Administrative fees (Note 2)	3,693,849
Transfer agent fees	622,200
Custodian fees	329,400
Remarketing agent fees	1,270,832
Shareholder reports	433,500
Legal and audit fees	239,800
Directors' fees (Note 2)	247,200
Other expenses	611,125
Total expenses	35,044,892
Net investment income	190,201,026
REALIZED AND UNREALIZED GAIN ON INVESTMENTS:	
Net realized gain on investments	53,471,923
Net change in unrealized appreciation on investments and foreign currency translation	311,528,851
Net gain on investments	365,000,774
Net increase in net assets resulting from operations	$555,201,800

The accompanying notes are an integral part of the financial statements.

DUFF & PHELPS UTILITIES INCOME INC.
STATEMENT OF CHANGES IN NET ASSETS

	For the year ended December 31, 2000	For the year ended December 31, 1999
FROM OPERATIONS:		
Net investment income	$ 190,201,026	$ 184,464,368
Net realized gain (loss) on investments	53,471,923	(88,191,091)
Net change in unrealized appreciation on investments and foreign currency translation	311,528,851	(243,399,166)
Net increase (decrease) in net assets resulting from operations	555,201,800	(147,125,889)
DISTRIBUTIONS TO STOCKHOLDERS FROM:		
Net investment income--preferred stock (Note 5)	(23,887,016)	(19,928,894)
Net investment income--common stock (Note 3)	(165,926,959)	(163,675,376)
Total distributions	(189,813,975)	(183,604,270)
FROM CAPITAL STOCK TRANSACTIONS (Note 4):		

Shares issued to common stockholders from dividend reinvestment	22,497,362	27,167,046
Net increase in net assets derived from capital share transactions	22,497,362	27,167,046
Total increase (decrease)	387,885,187	(303,563,113)
TOTAL NET ASSETS:		
Beginning of year	2,328,128,357	2,631,691,470
End of year (including undistributed net investment income of $3,415,147 and $3,028,096 respectively)	$2,716,013,544	$2,328,128,357

The accompanying notes are an integral part of the financial statements.

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DUFF & PHELPS UTILITIES INCOME INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2000

Cash Flows From (For):		
OPERATING ACTIVITIES		
Interest received	$ 55,927,863	
Income dividends received	167,284,594	
Securities lending income	1,451,982	
Operating expenses paid (excluding interest)	(21,637,746)	
Interest paid on commercial paper	(12,281,109)	
Net cash provided by operating activities		$ 190,745,584
INVESTING ACTIVITIES		
Purchase of investment securities	(6,101,084,481)	
Proceeds from sale/redemption of investment securities	6,003,229,947	
Return of capital on investments	488,158	
Long-term capital gains dividends received	1,418,167	
Net cash used in investing activities		(95,948,209)
FINANCING ACTIVITIES		
Dividends paid	(189,249,384)	
Proceeds from issuance of common stock under dividend reinvestment plan	22,497,362	
Change in net proceeds from issuance of commercial paper	(655,389)	
Net cash used in financing activities		(167,407,411)
Net decrease in cash and cash equivalents		(72,610,036)
Cash and cash equivalents--beginning of year		76,233,818
Cash and cash equivalents--end of year		$ 3,623,782
Reconciliation of net investment income to net cash provided by operating activities:		
Net investment income		$ 190,201,026
Adjustments to reconcile net investment		

income to net cash provided by operating activities:		
Increase in interest receivable............	(1,520,583)	
Decrease in dividends receivable...........	829,122	
Increase in accrued expenses...............	1,126,037	
Decrease in other receivable...............	109,982	
Total adjustments.......................................		544,558
Net cash provided by operating activities..................		$ 190,745,584

The accompanying notes are an integral part of the financial statements.

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DUFF & PHELPS UTILITIES INCOME INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2000

(1) SIGNIFICANT ACCOUNTING POLICIES:

Duff & Phelps Utilities Income Inc. (the "Fund") was incorporated under the laws of the State of Maryland on November 26, 1986. The Fund commenced operations on January 21, 1987, as a closed-end diversified management investment company registered under the Investment Company Act of 1940. The primary investment objectives of the Fund are current income and long-term growth of income. Capital appreciation is a secondary objective.

The following are the significant accounting policies of the Fund:

(a) The market values for securities are determined as follows: Securities traded on a national securities exchange or traded over-the-counter and quoted on the NASDAQ System are valued at last sales prices. Securities so traded for which there were no sales and other securities are valued at the mean of the most recent bid-asked quotations. Bonds not traded on a securities exchange nor quoted on the NASDAQ System are valued at a fair value using a procedure determined in good faith by the Board of Directors which includes the use of a pricing service. Each money market instrument having a maturity of 60 days or less is valued on an amortized cost basis, which approximates market value. Other assets and securities are valued at a fair value, as determined in good faith by the Board of Directors.

(b) No provision is made for Federal income taxes since the Fund has elected to be taxed as a "regulated investment company" and has made such distributions to its shareholders deemed necessary to be relieved of all Federal income taxes under provisions of current Federal tax law. The Fund intends to utilize provisions of Federal income tax laws which allow a realized capital loss to be carried forward for eight years following the year of loss and offset such losses against any future realized gains. At December 31, 2000, the Fund had tax capital loss carry forwards of $79,152,839 which expire beginning on December 31, 2003.

The accumulated net realized loss and undistributed net investment income captions on the balance sheet reflect book/tax temporary differences. These differences are a result of the deferral of wash sale losses, the accretion of market discount and the cash basis recognition of preferred dividends for tax purposes.

(c) The accounts of the Fund are kept on the accrual basis of accounting.

Security transactions are recorded on the trade date. Realized gains or losses from sales of securities are determined on the specific identified cost basis. Dividend income is recognized on the ex-dividend date. Interest income and expense are recognized on the accrual basis.

(d) The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

(e) In November 2000, the American Institute of Certified Public Accountants (AICPA) issued a revised version of the AICPA Audit and Accounting Guide for Investment Companies (the "Guide"). The Guide is effective for annual financial statements issued for fiscal years beginning after December 15, 2000. The Fund does not anticipate that the adoption of the Guide will have a significant effect on the financial statements.

(2) MANAGEMENT ARRANGEMENTS:

The Fund has engaged Duff & Phelps Investment Management Co. (the "Adviser") to provide professional investment management services for the Fund and has engaged J. J. B. Hilliard, W. L. Lyons, Inc. (the "Administrator") to provide administrative and management services for the Fund. The Adviser receives a quarterly fee at an annual rate of .60% of the average weekly net assets of the Fund up to $1.5 billion and .50% of average weekly net assets in excess thereof. The Administrator receives a quarterly fee at annual rates of .25% of average weekly net assets up to $100 million, .20% of average weekly net assets from $100 million to $1 billion, and .10% of average weekly net assets over $1 billion. For purposes of the foregoing calculations, "average weekly net assets" is defined as the sum of (i) the aggregate net asset value of the Fund's common stock (ii) the aggregate liquidation preference of the Fund's preferred stock and (iii) the aggregate proceeds to the Fund of commercial paper issued by the Fund. Directors of the Fund not affiliated with the Adviser receive a fee of $22,500 per year plus $1,500 per board meeting, plus $1,000 per committee meeting attended. Committee Chairmen receive an additional fee of $3,000 per year. Transfer agent and custodian fees are paid to The Bank of New York.

(3) DIVIDENDS:

The Board of Directors has authorized the following distributions to common stockholders from investment income in 2000:

Record Date	Payable Date	Dividend Per Share	Record Date	Payable Date	Dividend Per Share
01-31-00	02-10-00	$.065	07-31-00	08-10-00	$.065
02-29-00	03-10-00	.065	08-31-00	09-11-00	.065
03-31-00	04-10-00	.065	09-29-00	10-10-00	.065

04-28-00	05-10-00	.065	10-31-00	11-10-00	.065
05-31-00	06-12-00	.065	11-30-00	12-11-00	.065
06-30-00	07-10-00	.065	12-29-00	01-10-01	.075

(4) CAPITAL STOCK TRANSACTIONS:

The Fund may purchase shares of its own stock in open market or private transactions, from time to time and in such amounts and at such prices (not exceeding $100,000 plus accumulated and unpaid dividends in the case of the Fund's remarketed preferred stock and less than net asset value in the case of the Fund's common stock) as management may deem advisable. Since any such purchases of the Fund's common stock would be made at prices below net asset value, they would increase the net asset value per share of the remaining shares of common stock outstanding. The Fund has not purchased any shares of its common stock.

Transactions in common stock and paid-in surplus during 1999 and 2000 were as follows:

	Shares	Amount
For the year ended December 31, 1999:		
Beginning capitalization.........................	205,714,255	$1,833,765,826
Dividend reinvestment............................	2,764,506	27,167,046
Total capitalization...........................	208,478,761	$1,860,932,872
For the year ended December 31, 2000:		
Beginning capitalization.........................	208,478,761	$1,860,932,872
Dividend reinvestment............................	2,456,999	22,497,362
Total capitalization...........................	210,935,760	$1,883,430,234

(5) REMARKETED PREFERRED STOCK:

In 1988, the Fund issued 5,000 shares of Remarketed Preferred Stock ("RP") in five series of 1,000 shares each at a public offering price of $100,000 per share. The underwriting discount and other expenses incurred in connection with the issuance of the RP were recorded as a reduction of paid-in surplus on common stock. Dividends on the RP are cumulative at a rate which was initially established for each series at its offering. Since the initial offering of each series, the dividend rate on each series has been reset every 49 days by a remarketing process. Dividend rates ranged from 4.14% to 5.14% during the year ended December 31, 2000.

The RP is redeemable at the option of the Fund on any dividend payment date at a redemption price equal to $100,000 per share, plus accumulated and unpaid dividends. The Fund is required to maintain certain asset coverage with respect to the RP, and the RP is subject to mandatory redemption if that asset coverage is not maintained. Each series of RP is also subject to mandatory redemption on a date certain as follows: Series A--November 28, 2012; Series B--November 18, 2015; Series C--November 7, 2018; Series D--December 22, 2021; and Series E--December 11, 2024.

In general, the holders of the RP and of the Common Stock have equal voting rights of one vote per share, except that the holders of the RP, as a class, vote to elect two members of the Board of Directors, and separate class votes are required on certain matters that affect the respective interests of the RP and the Common Stock. The RP has a liquidation preference of $100,000 per share plus accumulated and unpaid dividends.

(6) COMMERCIAL PAPER:

The Board of Directors has authorized the Fund to issue up to $200,000,000 of Commercial Paper Notes (the "Notes") in minimum denominations of $100,000 with maturities up to 270 days. The Notes generally will be sold on a discount basis, but may be sold on an interest-bearing basis. The Notes are not redeemable by the Fund nor are they subject to voluntary prepayment prior to maturity. The aggregate amount of Notes outstanding changes from time to time. The Notes are unsecured, general obligations of the Fund. The Fund has entered into a credit agreement to provide liquidity. The Fund is able to request loans under the credit agreement of up to $100,000,000 at any one time, subject to certain restrictions. Interest rates on the Notes ranged from 6.05% to 6.78% during the year ended December 31, 2000. At December 31, 2000, the Fund had Notes outstanding of $193,187,392.

(7) INVESTMENT TRANSACTIONS:

For the year ended December 31, 2000, purchases and sales of investment securities (excluding short-term securities) were $5,892,977,650 and $5,898,269,356, respectively. For federal income tax purposes, at December 31, 2000, the gross unrealized depreciation on investments was $74,052,290 and gross unrealized appreciation was $468,006,258. The cost of investments for financial reporting and Federal income tax purposes was $2,510,330,919 and $2,511,702,832, respectively.

The Fund may lend portfolio securities to a broker/dealer. Loans are required to be secured at all times by collateral at least equal to the market value of securities loaned. The Fund receives a portion of the income earned on the securities held as collateral and continues to earn income on the loaned securities. Security loans are subject to the risk of failure by the borrower to return the loaned securities in which case the Fund could incur a loss. At December 31, 2000, the fund had loaned portfolio securities with a market value of $325,089,390 to a broker/dealer and money market instruments with a market value of $338,710,505 were held in the Fund's account at the broker/dealer as collateral.

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DUFF & PHELPS UTILITIES INCOME INC.
FINANCIAL HIGHLIGHTS--SELECTED PER SHARE DATA AND RATIOS

The table below provides information about income and capital changes for a share of common stock outstanding throughout the years indicated:

	For the year ended December 31				
	2000	1999	1998	1997	1996

Net asset value:					
Beginning of year........	$ 8.77	$ 10.36	$ 9.90	$ 8.44	$ 8.85
Net investment income....	0.88	0.89	0.88	0.85	0.84
Net realized gain (loss) and change in unrealized appreciation/depreciation on investments.........	1.76	(1.59)	0.46	1.46	(0.41)
Total from investment operations..............	2.64	(0.70)	1.34	2.31	0.43
Dividends on preferred stock from net investment income.......	(0.11)	(0.10)	(0.10)	(0.10)	(0.10)
Dividends on common stock from net investment income.................	(0.79)	(0.79)	(0.78)	(0.75)	(0.74)
Total distributions......	(0.90)	(0.89)	(0.88)	(0.85)	(0.84)
Net asset value:					
End of year............	$ 10.51	$ 8.77	$ 10.36	$ 9.90	$ 8.44
Per share market value:					
End of year............	$ 10.50	$ 8.31	$ 11.25	$ 10.13	$ 8.63
Ratio of expenses to average net assets attributable to common shares.................	1.79%	1.66%	1.46%	1.45%	1.53%
Total investment return..	37.37%	(19.85)%	19.95%	27.69%	4.68%
Ratio of net investment income to average net assets attributable to common shares..........	9.73%	9.40%	8.85%	9.87%	10.16%
Portfolio turnover rate..	229.70%	223.78%	251.19%	213.57%	226.21%
Net assets, end of year (000s omitted)..........	$2,716,014	$2,328,128	$2,631,692	$2,510,035	$2,186,443

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Board of Directors

WALLACE B. BEHNKE

HARRY J. BRUCE

FRANKLIN A. COLE

GORDON B. DAVIDSON

CLAIRE V. HANSEN, CFA

FRANCIS E. JEFFRIES, CFA

NANCY LAMPTON

BERYL W. SPRINKEL

DAVID J. VITALE

Officers

CLAIRE V. HANSEN, CFA
Chairman,

NATHAN I. PARTAIN, CFA
President and Chief Executive Officer

T. BROOKS BEITTEL, CFA
Senior Vice President, Secretary and Treasurer

MICHAEL SCHATT
Senior Vice President

JOSEPH C. CURRY, JR.
Vice President

DIANNA P. WENGLER
Assistant Secretary

Duff & Phelps
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Investment Adviser

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Investment Management Co.
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Chicago, Illinois 60603

Duff & Phelps
Utilities Income Inc.

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Annual Report

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2000