

DNP SELECT INCOME FUND INC
Form N-Q
September 19, 2014

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) 368-5510

Date of fiscal year end: October 31

Date of reporting period: July 31, 2014

Item 1. Schedule of Investments.

See the Statement of Net Assets below.

DNP SELECT INCOME FUND INC.
 STATEMENT OF NET ASSETS
 JULY 31, 2014
 (Unaudited)

| Description | Value (Note 1) |
|--|-------------------|
| COMMON STOCKS & MLP INTERESTS--112.3% | |
| ELECTRIC, GAS AND WATER--78.7% | |
| 1,500,000 Energy Corp.(a) | \$ 84,750,000 |
| 1,500,000 Corp. | 57,675,000 |
| 1,000,000 Water Works Co. | 47,770,000 |
| 3,071,300 Point Energy Inc.(a)(b) | 74,694,016 |
| 1,000,000 Corp. | 66,888,000 |
| 2,600,000 Energy Corp.(a) | 72,325,000 |
| 1,000,000 Resources, Inc.(a)(b) | 74,404,000 |
| 1,000,000 Energy Co.(a) | 73,820,000 |
| 800,000 Energy Corp. | 57,704,000 |
| 1,500,000 e Inc. (Canada)(a)(b) | 78,368,000 |
| 1,082,000 Gains Energy Inc.(a)(b) | 49,156,091 |
| 900,000 Morgan Inc.(a) | 32,382,000 |
| 188,670 Global Grid plc ADR (United Kingdom) | 13,544,835 |
| 4,796,211 Global Grid plc (United Kingdom) | 69,273,644 |
| 1,000,000 Energy, Inc.(a)(b) | 93,890,000 |
| 2,000,000 e Inc. | 75,360,000 |
| 2,000,000 West Utilities Inc.(a)(b) | 87,800,000 |
| 800,000 West Natural Gas Co. | 34,576,000 |
| 2,000,000 Energy Corp. | 71,900,000 |
| 1,000,000 West Natural Gas Co. | 34,690,000 |
| 1,000,000 General Electric Co. | 51,088,000 |
| 2,000,000 p.(a)(b) | 65,980,000 |
| 1,000,000 Service Enterprise Group Inc.(a) | 63,306,000 |
| 1,000,000 Corp.(a)(b) | 42,256,000 |
| 1,000,000 Energy(a)(b) | 99,710,000 |
| 1,500,000 h Co.(a) | 64,935,000 |
| 1,915,000 Energy Corp.(a) | 78,361,800 |
| 1,000,000 Canada Corp. (Canada)(a)(b) | 50,170,000 |
| 1,500,000 Corp.(a) | 57,135,000 |
| 2,000,000 Energy Inc.(a) | 72,080,000 |
| 1,000,000 Holdings Inc. | 38,980,000 |
| 1,650,000 Williams Companies, Inc.(a)(b) | 93,439,500 |
| 2,000,000 Energy Inc.(a)(b) | 83,160,000 |
| | 2,111,571,886 |

The accompanying notes are an integral part of this financial statement.

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DNP SELECT INCOME FUND INC.
STATEMENT OF NET ASSETS — (Continued)
JULY 31, 2014
(Unaudited)

| Description | Value (Note 1) |
|--|-------------------|
| OIL & GAS STORAGE, TRANSPORTATION AND PRODUCTION--18.9% | |
| 466,800 Midstream Partners LP | \$ 28,110,696 |
| 453,100 Pipeline Partners LP | 15,623,970 |
| 407,000 Midstream Partners LP | 22,169,290 |
| 551,000 Pipelines Partners LP | 18,631,470 |
| 682,000 Ege Energy Partners LP | 23,563,800 |
| 696,000 Energy Transfer Equity LP | 37,855,440 |
| 280,000 Energy Transfer Partners LP | 15,607,200 |
| 500,000 Midstream Partners LP | 14,600,000 |
| 387,000 Enterprise Products Partners LP | 28,571,800 |
| 231,000 Midstream Partners LP | 19,990,740 |
| 50,515 Log Partners LP (Marshall Islands) | 1,689,539 |
| 282,000 Isis Energy LP | 14,802,180 |
| 242,000 Morgan Energy Partners LP | 19,606,840 |
| 218,000 Energy LLC | 6,865,080 |
| 470,000 Inland Midstream Partners LP | 37,696,517 |
| 390,500 West Energy Partners LP | 27,675,700 |
| 202,000 BOK Partners LP | 16,375,360 |
| 475,610 All American Pipeline LP | 27,276,234 |
| 268,000 A Energy Partners LP | 13,826,120 |
| 324,000 Go Logistics Partners LP | 14,382,360 |
| 400,000 Mass Energy Partners LP | 15,700,000 |
| 392,000 Resources Partners LP | 26,216,960 |
| 64,220 Go Logistics LP | 4,278,936 |
| 67,440 Energy Partners LP | 2,902,211 |
| 217,861 Lake Chemical Partners LP | 6,551,381 |
| 297,000 Northern Gas Partners LP | 21,788,340 |
| 488,000 Ops Partners LP | 24,459,120 |
| | 506,817,284 |
| TELECOMMUNICATIONS--14.7% | |
| 1,708,250 Inc.(a)(b) | 60,796,973 |
| 932,000 Inc. (Canada)(a)(b) | 42,526,976 |
| 1,600,000 Link Inc.(a)(b) | 62,784,000 |
| 3,518,401 Communications Corp.(a) | 23,046,116 |
| 1,000,000 CSA (France) | 15,721,503 |
| 1,094,800 Corp. (Canada) | 38,275,008 |
| 1,560,089 Communications Inc.(a) | 78,659,687 |
| 782,200 One Group PLC ADR (United Kingdom) | 25,984,684 |
| 4,000,000 Team Holdings, Inc. | 45,840,000 |
| | 393,634,947 |
| Total Common Stocks & MLP Interests (Cost \$2,252,301,366) | 3,012,024,117 |

PREFERRED STOCKS--1.7%

| | |
|---|------------|
| UTILITY--0.1% | |
| 50,000 n Corp. 6 1/2%, due 6/01/17 | 2,455,000 |
| | 2,455,000 |
| NON-UTILITY--1.6% | |
| 100,000 Storage 6 7/8% Series O Perpetual | 2,586,000 |
| 600,000 Income Corp. 6 5/8% Series F Perpetual | 15,612,000 |
| 400,000 cy Centers Corp. 6 5/8% Series 6 Perpetual | 10,360,000 |
| 234,000 do Realty Trust 6 5/8% Series G Perpetual | 5,964,111 |
| 350,000 do Realty Trust 6 5/8% Series I Perpetual | 8,823,500 |
| | 43,345,611 |
| Total Preferred Stocks (Cost \$43,761,811) | 45,800,611 |

The accompanying notes are an integral part of this financial statement.

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DNP SELECT INCOME FUND INC.
 STATEMENT OF NET ASSETS — (Continued)
 JULY 31, 2014
 (Unaudited)

| Par Value | Description | Value (Note 1) |
|--------------------------------|---|-------------------|
| BONDS--20.6% | | |
| ELECTRIC, GAS AND WATER--15.7% | | |
| \$22,000,000 | Arizona Public Service Co. 6 7/8%, due 8/01/36(a)(b) | \$29,369,868 |
| 10,450,000 | Atmos Energy Corp. 8 1/2%, due 3/15/19(a)(b) | 13,256,630 |
| 11,000,000 | Cleveland Electric Illuminating Co. 8 7/8%, due 11/15/18(a)(b) | 13,851,574 |
| 6,750,000 | Commonwealth Edison Company 6.95%, due 7/15/18 | 7,926,026 |
| 15,305,000 | Consolidated Edison Co. of New York 7 1/8%, due 12/01/18(a)(b) | 18,422,965 |
| 9,354,000 | Dominion Resources Inc. 6.40%, due 6/15/18(a)(b) | 10,886,494 |
| 10,000,000 | DPL Capital Trust II 8 1/8%, due 9/01/31 | 9,969,750 |
| 6,488,000 | Energy Transfer Partners 7.60%, due 2/01/24 | 8,106,101 |
| 8,850,000 | Energy Transfer Partners 8 1/4%, due 11/15/29 | 12,400,558 |
| 20,000,000 | Entergy Texas Inc. 7 1/8%, due 2/01/19(a)(b) | 24,044,460 |
| 5,000,000 | Enterprise Products Operating LLC 6 1/2%, due 1/31/19 | 5,889,300 |
| 12,826,000 | EQT Corp. 8 1/8%, due 6/01/19(a)(b) | 15,898,096 |
| 14,376,000 | Exelon Generation Co. LLC 6.20%, due 10/01/17(a)(b) | 16,260,622 |
| 15,060,000 | FPL Group Capital Inc. 7 7/8%, due 12/15/15(a)(b) | 16,485,580 |
| 10,000,000 | Georgia Power Co. 5.70%, due 6/01/17(a)(b) | 11,206,760 |
| 10,618,000 | Indiana Michigan Power Co. 7.00%, due 3/15/19(a)(b) | 12,772,870 |
| 8,030,000 | Kinder Morgan, Inc. 6.85%, due 2/15/20 | 9,561,642 |
| 14,445,000 | Magellan Midstream Partners, LP 6.40%, due 7/15/18(a)(b) | 16,841,830 |
| 5,000,000 | Metropolitan Edison Co. 7.70%, due 1/15/19 | 6,075,025 |
| 12,000,000 | National Fuel Gas Co. 8 3/4%, due 5/01/19(a)(b) | 14,987,736 |

10,000,000 National Grid PLC (United Kingdom)

6.30%, due 8/01/16

11,034,160

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DNP SELECT INCOME FUND INC.
 STATEMENT OF NET ASSETS — (Continued)
 JULY 31, 2014
 (Unaudited)

| Par Value | Description | Value (Note 1) |
|-------------|--|-------------------|
| \$3,350,000 | Nevada Power Co. 7 1/8%, due 3/15/19 | \$ 4,066,056 |
| 10,345,000 | Oncor Electric Delivery Co. LLC 7.00%, due 9/01/22 | 13,222,586 |
| 11,000,000 | ONEOK, Inc. 6.00%, due 6/15/35(a) | 11,166,034 |
| 9,000,000 | ONEOK Partners, LP 8 5/8%, due 3/01/19 | 11,313,540 |
| 5,000,000 | PPL Energy Supply LLC 6 1/2%, due 5/01/18 | 5,391,610 |
| 14,000,000 | Progress Energy Inc. 7.05%, due 3/15/19(a)(b) | 16,888,690 |
| 5,130,000 | Public Service New Mexico 7 1/2%, due 8/01/18 | 5,995,652 |
| 15,169,000 | Sempra Energy 6 1/2%, due 6/01/16(a)(b) | 16,679,241 |
| 5,000,000 | Sempra Energy 6.15%, due 6/15/18 | 5,770,905 |
| 12,940,000 | Spectra Energy 6.20%, due 4/15/18 | 14,754,796 |
| 2,615,000 | Spectra Energy 6 3/4%, due 7/15/18 | 2,989,573 |
| 9,140,000 | TransCanada PipeLines Ltd. (Canada) 7 1/8%, due 1/15/19 | 11,056,749 |
| 14,380,000 | Williams Partners, LP 7 1/4%, due 2/01/17(a)(b) | 16,336,039 |
| | | 420,879,518 |
| | TELECOMMUNICATIONS--4.2% | |
| 10,000,000 | BellSouth Capital Funding Corp. 7 7/8%, due 2/15/30(a)(b) | 13,395,600 |
| 15,000,000 | CenturyLink Inc. 6 7/8%, due 1/15/28 | 15,300,000 |
| 5,900,000 | Comcast Corp. 7.05%, due 3/15/33 | 7,957,017 |
| 15,000,000 | Koninklijke KPN NV (Netherlands) 8 3/8%, due 10/01/30(a)(b) | 21,132,390 |
| 10,311,000 | Rogers Wireless Inc. (Canada) 7 1/2%, due 3/15/15(a)(b) | 10,751,269 |
| 10,000,000 | TCI Communications Inc. 8 3/4%, due 8/01/15(a)(b) | 10,831,490 |
| 5,000,000 | TCI Communications Inc. 7 1/8%, due 2/15/28 | 6,607,125 |

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| | | |
|------------|-------------------------------------|-------------|
| 15,500,000 | Verizon Global Funding Corp. | |
| | 7 3/4%, due 12/01/30(a) | 21,484,287 |
| 5,000,000 | Vodafone Group PLC (United Kingdom) | |
| | 7 7/8%, due 2/15/30 | 6,927,995 |
| | | 114,387,173 |

The accompanying notes are an integral part of this financial statement.

DNP SELECT INCOME FUND INC.
 STATEMENT OF NET ASSETS — (Continued)
 JULY 31, 2014
 (Unaudited)

| Par Value | Description | Value (Note 1) |
|-------------|---|-------------------|
| | NON-UTILITY--0.7% | |
| \$8,000,000 | Dayton Hudson Corp. 9 7/8%, due 7/01/20 | \$10,586,616 |
| 300,000 | Vornado Realty LP 7 7/8%, due 10/01/39 | 7,638,000 |
| | | 18,224,616 |
| | Total Bonds (Cost \$523,357,918) | 553,491,307 |
| | TOTAL INVESTMENTS--134.6% (Cost \$2,819,421,095) | 3,611,316,035 |
| | Borrowings--(26.1%) | (700,000,000) |
| | Other assets less liabilities--(8.5%) | (229,355,100) |
| | NET ASSETS APPLICABLE TO COMMON STOCK--100.0% | \$2,681,960,935 |

(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.

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)

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 semi-annual report. The following is a summary of the inputs used to value each of the Fund's investments at July 31, 2014:

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| | Level 1 | Level 2 |
|-------------------------------|-----------------|---------------|
| Common stocks & MLP interests | \$3,012,024,117 | - |
| Preferred stocks | 45,800,611 | - |
| Bonds | - | \$553,491,307 |
| Total | \$3,057,824,728 | \$553,491,307 |

There were no Level 3 priced securities held and there were no transfers between Level 1 and Level 2 related to securities held at July 31, 2014.

DNP SELECT INCOME FUND INC.
 STATEMENT OF NET ASSETS — (Continued)
 JULY 31, 2014
 (Unaudited)

Note 2. Federal Tax Cost

At October 31, 2013, the Fund's most recent fiscal tax year end, the federal tax cost of investments and aggregate gross unrealized appreciation (depreciation) were as follows:

| Federal Tax Cost | Unrealized Appreciation | Unrealized Depreciation | Net Unrealized Appreciation |
|------------------|----------------------------|----------------------------|--------------------------------|
| \$2,863,733,755 | \$672,974,447 | (\$116,820,710) | \$556,153,737 |

The difference between the book basis and tax basis of unrealized appreciation (depreciation) and cost of investments is primarily attributable to MLP earnings and basis adjustments, the tax deferral of wash sale losses, the accretion of market discount and amortization of premiums and alternative tax treatment of certain securities.

Other information regarding the Fund is available on the Fund's website at www.dnpselectincome.com 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 September 19, 2014

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 September 19, 2014

By (Signature and Title) /s/ Alan M. Meder

Alan M. Meder
Treasurer and Assistant Secretary
(Principal Financial and Accounting Officer)

Date September 19, 2014