INERGY L P
Form 10-Q
August 08, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2013
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: 001-34664
Inergy, L.P.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	43-1918951 (IRS Employer Identification No.)
Two Brush Creek Blvd., Suite 200 Kansas City, Missouri (Address of principal executive offices)	64112 (Zip code)

(816) 842-8181
(Registrant's telephone number, including area code)
(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark 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 ý No ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that registrant was required to submit and post such files). Yes ý No ¨
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý	Accelerated filer ¨
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No ý

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INERGY, L.P. AND SUBSIDIARIES (FORMERLY CRESTWOOD GAS SERVICES GP LLC)
CONSOLIDATED BALANCE SHEETS
(in millions, except unit information)

	June 30, 2013 (unaudited)	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	$2.7	$0.1
Accounts receivable, less allowance for doubtful accounts of $1.3 million at June 30, 2013	182.4	45.4
Inventory (Note 3)	53.2	—
Assets from price risk management activities	15.3	—
Prepaid expenses and other current assets	22.5	4.9
Assets held for sale (Note 3)	6.7	—
Total current assets	282.8	50.4
Property, plant and equipment (Note 3)	3,854.7	1,197.4
Less: accumulated depreciation	126.5	95.0
Property, plant and equipment, net	3,728.2	1,102.4
Intangible assets (Note 3)	1,119.2	845.2
Less: accumulated amortization	70.6	49.9
Intangible assets, net	1,048.6	795.3
Goodwill	2,452.3	352.2
Other assets	53.8	1.3
Total assets	$7,565.7	$2,301.6
Liabilities and partners' capital		
Current liabilities:		
Accounts payable	$151.6	$5.4
Accrued expenses and other liabilities	115.5	43.1
Liabilities from price risk management activities	8.0	—
Current portion of long-term debt (Note 7)	2.5	—
Total current liabilities	277.6	48.5
Long-term debt, less current portion (Note 7)	1,873.1	685.2
Other long-term liabilities	39.0	17.2
Deferred income taxes	20.0	—
Partners' capital (Note 8):		
Limited partner unitholders (171,109,549 and 39,491,002 limited partner units issued and outstanding at June 30, 2013 and December 31, 2012, respectively)	1,401.8	31.7
Total Inergy, L.P. partners' capital	1,401.8	31.7
Interest of non-controlling partners in subsidiaries	3,954.2	1,519.0
Total partners' capital	5,356.0	1,550.7

Total liabilities and partners’ capital	$7,565.7	$2,301.6

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

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INERGY, L.P. AND SUBSIDIARIES (FORMERLY CRESTWOOD GAS SERVICES GP LLC)
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except unit and per unit data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues:				
Gathering and processing	$71.1	$55.2	$143.5	$109.0
NGL and crude services	38.1	—	38.1	—
Storage and transportation	9.7	—	9.7	—
	118.9	55.2	191.3	109.0
Cost of product/services sold (excluding depreciation, amortization and accretion as shown below):				
Gathering and processing	14.0	7.4	27.5	16.4
NGL and crude services	36.7	—	36.7	—
Storage and transportation	1.3	—	1.3	—
	52.0	7.4	65.5	16.4
Expenses:				
Operating and administrative	31.1	18.0	51.9	34.5
Depreciation, amortization and accretion	28.0	19.1	50.4	35.0
	59.1	37.1	102.3	69.5
Other operating income:				
Gain on contingent consideration	—	6.8	—	6.8
Operating income	7.8	17.5	23.5	29.9
Interest and debt expense, net	12.0	8.9	23.4	16.5
Income (loss) before income taxes	(4.2)	8.6	0.1	13.4
Provision for income taxes	0.3	0.3	0.7	0.6
Net income (loss)	(4.5)	8.3	(0.6)	12.8
Net (income) loss attributable to non-controlling partners	6.1	(4.9)	7.3	(6.1)
Net income attributable to Inergy, L.P.	$1.6	$3.4	$6.7	$6.7
Limited partners' interest information:				
Subordinated unitholders' interest in net income	$0.1	$0.4	$0.6	$0.7
Common unitholders' interest in net income	$1.5	$3.0	$6.1	$6.0
Net income per limited partner unit:				
Basic	$0.03	$0.09	$0.14	$0.17
Diluted	$0.03	$0.09	$0.14	$0.17
Weighted-average limited partners’ units outstanding (in thousands):				
Basic	52,459	35,103	43,829	35,103
Dilutive units	4,388	4,388	4,388	4,388
Diluted	56,847	39,491	48,217	39,491

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

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INERGY, L.P. AND SUBSIDIARIES (FORMERLY CRESTWOOD GAS SERVICES GP LLC)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net income (loss)	$(4.5)	$8.3	$(0.6)	$12.8
Change in Suburban Propane Partners, L.P. units (Note 2)	(0.2)	—	(0.2)	—
Comprehensive income (loss)	$(4.7)	$8.3	$(0.8)	$12.8

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

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INERGY, L.P. AND SUBSIDIARIES (FORMERLY CRESTWOOD GAS SERVICES GP LLC)
CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
(in millions)
(unaudited)

	Limited Partners Capital	Non-Controlling Partners	Total Partners' Capital
Balance at December 31, 2012	$31.7	$1,519.0	$1,550.7
Net proceeds from issuance of common units by Crestwood Midstream Partners LP	—	118.5	118.5
Issuance of Class D units to non-controlling interest	(126.3)	126.3	—
Issuance of Class C units	0.6	(0.6)	—
Change in interest in Crestwood Marcellus Midstream LLC	238.9	(238.9)	—
Invested capital from Inergy, L.P. net of debt (Note 4)	1,388.8	2,484.4	3,873.2
Unit-based compensation charges	0.2	1.8	2.0
Taxes paid for unit-based compensation vesting	—	(0.7)	(0.7)
Distributions	(9.3)	(48.4)	(57.7)
Distribution of Class C units to non-controlling interests	(0.1)	0.1	—
Distribution for additional interest in Crestwood Marcellus Midstream LLC	(129.0)	—	(129.0)
Change in Suburban Propane Partners, L.P. units	(0.2)	—	(0.2)
Other	(0.2)	—	(0.2)
Net income (loss)	6.7	(7.3)	(0.6)
Balance at June 30, 2013	$1,401.8	$3,954.2	$5,356.0

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

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INERGY, L.P. AND SUBSIDIARIES (FORMERLY CRESTWOOD GAS SERVICES GP LLC)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Six Months Ended June 30, 2013	2012
Operating activities		
Net income (loss)	$(0.6)	$12.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and depletion	31.6	23.0
Amortization and accretion	18.8	12.0
Amortization of deferred financing costs	2.2	2.5
Amortization of bond premium	(0.1)	—
Market adjustment on interest rate swaps	(0.9)	—
Gain on contingent consideration	—	(6.8)
Unit-based compensation charges	2.0	1.0
Provision for doubtful accounts	0.1	—
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable	(3.7)	4.2
Inventory	(4.7)	—
Prepaid expenses and other current assets	—	(0.5)
Accounts payable, accrued expenses and other liabilities	12.7	(6.0)
Net cash provided by operating activities	57.4	42.2
Investing activities		
Acquisitions, net of cash acquired	6.1	(376.8)
Purchases of property, plant and equipment	(84.1)	(22.4)
Net cash used in investing activities	(78.0)	(399.2)

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

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INERGY, L.P. AND SUBSIDIARIES (FORMERLY CRESTWOOD GAS SERVICES GP LLC)
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(in millions)
(unaudited)

	Six Months Ended June 30, 2013	2012
Financing activities		
Proceeds from the issuance of Inergy, L.P. long-term debt	$41.8	$—
Proceeds from the issuance of Inergy Midstream, L.P. long-term debt	9.8	—
Proceeds from the issuance of Crestwood Midstream Partners LP long-term debt	247.5	223.7
Proceeds from the issuance of Crestwood Marcellus Midstream LLC long-term debt	69.4	21.0
Principal payments on Inergy, L.P. long-term debt	(21.5)	—
Principal payments on Inergy Midstream, L.P. long-term debt	(15.5)	—
Principal payments on Crestwood Midstream Partners LP long-term debt	(154.0)	(174.7)
Principal payments on Crestwood Marcellus Midstream LLC long-term debt	(69.0)	(1.5)
Contributions from partners	—	247.2
Distributions	(21.1)	(6.1)
Distributions paid to non-controlling partners	(48.4)	(39.4)
Distributions for additional interest in Crestwood Marcellus Midstream LLC	(129.0)	—
Payments on capital leases	(2.2)	(1.4)
Payments for deferred financing costs	(0.1)	(6.5)
Net proceeds from issuance of Crestwood Midstream Partners LP common units	118.5	103.0
Taxes paid for unit-based compensation vesting	(3.0)	(0.4)
Net cash provided by financing activities	23.2	364.9
Net increase in cash	2.6	7.9
Cash at beginning of period	0.1	0.8
Cash at end of period	$2.7	$8.7
Supplemental schedule of noncash investing and financing activities		
Net change to property, plant and equipment through accounts payable and accrued expenses	$25.9	$1.1
Acquisitions, net of cash acquired:		
Current assets	$216.6	$—
Property, plant and equipment	2,554.9	95.1
Intangible assets	273.0	312.4
Goodwill	2,100.1	—
Other assets	51.2	—
Current liabilities	(205.5)	(12.7)
Debt	(1,079.3)	(18.0)
Invested capital of Inergy, L.P., net of debt (Note 4)	(3,873.2)	—
Other liabilities	(43.9)	—
Total acquisitions, net of cash acquired	$(6.1)	$376.8

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

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INERGY, L.P. AND SUBSIDIARIES (FORMERLY CRESTWOOD GAS SERVICES GP LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 – Partnership Organization and Basis of Presentation

Organization

Inergy, L.P. (“Inergy”, "NRGY" or the “Company”), a Delaware limited partnership formed in March 2001, is an energy midstream company. Its common units are listed on the New York Stock Exchange (“NYSE”) under the symbol “NRGY.” Inergy is managed by its general partner, Inergy GP, LLC, which is indirectly owned by Crestwood Holdings LLC (“Crestwood Holdings”). The substantial majority of Crestwood Holdings is indirectly owned by First Reserve Management, LP, an energy-focused private equity fund (“FRC”).

Inergy conducts a significant part of its consolidated operations through two publicly-traded master limited partnerships, Inergy Midstream, L.P. (“Inergy Midstream” or “NRGM”) and Crestwood Midstream Partners LP (“Crestwood Midstream” or “CMLP”). These master limited partnerships are managed by their general partners, and Inergy owns the general partners of Inergy Midstream and Crestwood Midstream. Inergy therefore manages and controls Inergy Midstream, whose common units are listed on the NYSE under the symbol “NRGM,” and Crestwood Midstream, whose common units are listed on the NYSE under the symbol “CMLP.”

In addition to managing and controlling both NRGM and CMLP, Inergy also owns the incentive distribution rights (“IDRs”) of Inergy Midstream and Crestwood Midstream. The IDRs of Inergy Midstream entitle Inergy to receive 50% of all distributions paid by Inergy Midstream in excess of its initial quarterly distribution of $0.37 per common unit. The GP interest of CMLP entitles Inergy to receive 1.8% of all distributions paid by Crestwood Midstream. The IDRs of CMLP entitle Inergy to receive 15% of all distributions above the first target distribution ($0.345 per common unit), 25% of all distributions above the second target distribution ($0.375 per common unit) and thereafter 50% of all distributions above the third target distribution level of $0.45 per common unit.

The following diagram comprises a simplified depiction of our ownership structure as of June 30, 2013:

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INERGY, L.P. AND SUBSIDIARIES (FORMERLY CRESTWOOD GAS SERVICES GP LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Unless otherwise indicated, references in this report to “we,” “us,” “our,” “ours,” “our company,” “Inergy,” “the Company” and similar terms refer to either Inergy, L.P. itself or Inergy, L.P. and its consolidated subsidiaries, as the context requires. Unless otherwise indicated, references to (i) Inergy Midstream refer to either Inergy Midstream, L.P. itself or Inergy Midstream, L.P. and its consolidated subsidiaries, and (ii) Crestwood Midstream refer to either Crestwood Midstream Partners LP itself or Crestwood Midstream Partners LP and its consolidated subsidiaries, in each case, as the context requires.

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INERGY, L.P. AND SUBSIDIARIES (FORMERLY CRESTWOOD GAS SERVICES GP LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Business Combination

On May 5, 2013, Inergy and certain of its affiliates entered into a series of definitive agreements with Crestwood Holdings and certain of its affiliates under which, among other things, (i) Inergy agreed to distribute to its common unitholders all of the NRGM common units owned by Inergy; (ii) Crestwood Holdings agreed to acquire the owner of Inergy's general partner; (iii) Crestwood Holdings agreed to contribute ownership of CMLP's general partner and IDRs to Inergy in exchange for common and subordinated units of Inergy; and (iv) Crestwood Midstream agreed to merge with and into a subsidiary of Inergy Midstream in a merger in which CMLP unitholders will receive 1.07 NRGM common units for each CMLP common unit they own. As part of the merger, which is expected to close in 2013, CMLP's unaffiliated unitholders will also receive a one-time $35 million cash payment at the closing of the merger, $25 million of which will be payable by NRGM and $10 million of which will be payable by Crestwood Holdings.

On June 5, 2013, Crestwood Midstream's general partner distributed to a wholly-owned subsidiary of Crestwood Holdings LLC approximately 137,105 common units and approximately 21,588 Class D units of CMLP, representing all of the CMLP common and Class D units held by Crestwood Midstream's general partner.

On June 18, 2013, Inergy distributed to its unitholders approximately 56.4 million NRGM common units, representing all of the NRGM common units held by Inergy.

On June 19, 2013, Crestwood Holdings acquired the owner of Inergy's general partner and contributed to Inergy ownership of Crestwood Gas Services GP, LLC ("CMLP GP"), which owns 100% of the general partnership interests and IDRs of Crestwood Midstream. Crestwood Holdings and its ultimate parent company, FRC, acquired control of Inergy as a result of these transactions.

Description of Business

Inergy provides gathering, processing, storage and transportation solutions to customers in the crude oil, natural gas liquids (“NGLs”) and natural gas sectors of the energy industry. Inergy's financial statements reflect three operating and reporting segments: (i) gathering and processing; (ii) NGL and crude services; and (iii) storage and transportation.

Inergy's gathering and processing (“G&P) operations provide natural gas gathering, processing, treating, compression and transportation services to producers in unconventional shale plays in West Virginia, Texas, Arkansas, New Mexico and Louisiana. The consolidated assets reflected in this segment include rich gas gathering systems and processing plants in the Marcellus Shale, Barnett Shale, Granite Wash, and Avalon Shale plays, and dry gas gathering systems in the Barnett Shale, Fayetteville Shale, and Haynesville Shale plays.

Inergy's NGL and crude services operations provide NGL marketing, supply and logistics services to producers, refiners, petrochemical companies, marketers, and others customers. The consolidated assets reflected in this segment primarily include a crude oil loading and storage terminal (the “COLT Hub”), the West Coast operations, and a fleet of over-the-road truck and rail transports.

Inergy's storage and transportation operations provide natural gas and NGL storage and transportation services to third parties, as well as the production and sale of salt products. The consolidated assets reflected in this segment primarily include natural gas storage facilities in New York and Texas (the Stagecoach, Thomas Corners, Steuben, Seneca Lake and Tres Palacios storage facilities), natural gas transmission facilities in New York and Pennsylvania (the North-South Facilities, the MARC I Pipeline, and the East Pipeline), an NGL storage facility in New York (the Bath storage facility), and a solution-mining and salt production company in New York (US Salt).

Inergy owns and operates the Tres Palacios storage facility, a fractionation facility on the West Coast and an NGL supply and logistics business.

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INERGY, L.P. AND SUBSIDIARIES (FORMERLY CRESTWOOD GAS SERVICES GP LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Basis of Presentation

These financial statements were originally the financial statements of CMLP GP, prior to being acquired by Inergy on June 19, 2013 as discussed above. Inergy's acquisition of CMLP GP was accounted for as a reverse acquisition under the purchase method of accounting in accordance with FASB Accounting Standard Codification Subtopic 805 - Business Combinations. The accounting for a reverse acquisition results in the legal acquiree (CMLP GP) being the acquiror for accounting purposes. Although CMLP GP was the surviving entity for accounting purposes, Inergy was the surviving entity for legal purposes, consequently, the name on these financial statements was changed from Crestwood Gas Services GP, LLC to Inergy, L.P.

On June 18, 2013, Inergy changed its fiscal year from September 30 to December 31 to adopt the fiscal year of CMLP GP.

The financial information contained herein as of June 30, 2013, and for the three-month and six-month periods ended June 30, 2013 and 2012, is unaudited. Inergy believes this information has been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and Article 10 of Regulation S-X. Inergy also believes this information includes all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows for the periods then ended.

The accompanying consolidated financial statements should be read in conjunction with the Form 10-K as filed with the Securities and Exchange Commission for the fiscal year ended September 30, 2012 as well as the Form 8-K/A filed August 5, 2013, containing consolidated financial statements related to CMLP GP.

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, including among others Inergy Partners, LLC (“Inergy Partners”), Tres Palacios Gas Storage LLC (“TPGS”), IPCH Acquisition Corp. (“IPCHA”), Inergy Finance Corp., Inergy Operations, LLC, NRGM GP, LLC and CMLP GP. The accompanying consolidated financial statements also include the accounts of Inergy Midstream and Crestwood Midstream and each of their consolidated subsidiaries.

All significant intercompany transactions and balances have been eliminated in consolidation.

Note 2 – Summary of Significant Accounting Policies

Financial Instruments and Price Risk Management

Inergy utilizes certain derivative financial instruments to (i) manage its exposure to commodity price risk, specifically, the related change in the fair value of inventory, as well as the variability of cash flows related to forecasted transactions; (ii) ensure adequate physical supply of commodity will be available; and (iii) manage its exposure to the interest rate risk associated with fixed and variable rate borrowings. Inergy records all derivative instruments on the balance sheet as either assets or liabilities measured at fair value. Changes in the fair value of these derivative financial instruments are recorded either through current earnings or as other comprehensive income, depending on the type of transaction.

Inergy is periodically party to certain commodity derivative financial instruments that are designated as hedges of selected inventory positions. Certain of these instruments may be designated as fair value hedges for accounting purposes. Inergy is also periodically party to certain interest rate swap agreements designed to manage interest rate risk exposure. Inergy’s overall objective for entering into hedges is to manage its exposure to fluctuations in commodity prices and changes in the fair market value of its inventories and fixed and variable rate borrowings. The commodity derivatives are recorded at fair value on the balance sheets as price risk management assets or liabilities and the related change in fair value is recorded to earnings in the current period as cost of product/services sold.

Inergy had no derivatives identified as fair value hedges for accounting purposes in the three-month and six-month periods ended June 30, 2012 and 2013.

Inergy also enters into derivative financial instruments that may qualify as cash flow hedges, which hedge the exposure of variability in expected future cash flows predominantly attributable to variable interest payments. These derivatives are recorded on the balance sheet at fair value as other assets or other long-term liabilities. The effective portion of the gain or loss on these cash flow hedges is recorded in other comprehensive income in partner's capital and reclassified into earnings in the same period in which the hedge transaction affects earnings. In certain situations under the rules, the ineffective portion of the gain or loss is recognized as cost of product sold/services sold or interest expense in the current period. Inergy did not have any derivatives identified as cash flow hedges in the three and six-month periods ended June 30, 2012 and 2013.

Accumulated other comprehensive loss was $0.2 million at June 30, 2013. Included in accumulated other comprehensive loss at June 30, 2013 was a loss of $0.2 million attributable to Suburban Propane Partners, LP ("SPH") units. The SPH units were acquired by Inergy in August 2012 in conjunction with the disposition of its retail propane business.

Inergy’s policy is to offset fair value amounts of derivative instruments and cash collateral paid or received with the same counterparty under a master netting arrangement.

The cash flow impact of derivative financial instruments is reflected as cash flows from operating activities in the consolidated statements of cash flows.

Revenue Recognition

Inergy's gathering and processing operations gather, process, treat, compress, transport and sell natural gas pursuant to fixed-fee and percent-of-proceeds contracts. For fixed-fee contracts, Inergy recognizes revenues based on the volume of natural gas gathered, processed and treated or compressed. For percent-of-proceeds contracts, Inergy recognizes revenues based on the value of products sold to third parties. Inergy recognizes revenues for these services and products when all of the following criteria are met:

• services have been rendered or products delivered;
• persuasive evidence of an exchange arrangement exists;
• the price for services is fixed or determinable; and
• collectability is reasonably assured.

Sales of NGLs and salt are recognized at the time product is shipped or delivered to the customer depending on the sales terms. NGL processing and fractionation fees are recognized upon delivery of the product. Revenues from the COLT Hub are recognized when the contractual services are provided, such as loading of customer rail cars. Revenues from storage and transportation contracts are recognized during the period in which the storage and transportation services are provided, such as providing storage and transportation services during the period a firm service contract is in place.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates.

Inventory

Inventory for NGL and crude services operations, which mainly consist of NGLs, are stated at the lower of cost or market and are computed using the average cost method. Inventory for storage and transportation operations are stated at the lower of cost or market and are computed predominantly using the average cost method. Inergy had no inventory at December 31, 2012.

Shipping and Handling Costs

Shipping and handling costs are recorded as part of cost of product/services sold at the time product is shipped or delivered to the customer.

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INERGY, L.P. AND SUBSIDIARIES (FORMERLY CRESTWOOD GAS SERVICES GP LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Property, Plant and Equipment

Property, plant and equipment is recorded at its original cost of construction or, upon acquisition, at fair value of the assets acquired. For assets Inergy constructs, it capitalizes direct costs, such as labor and materials, and indirect costs, such as overhead and interest. Inergy capitalizes major units of property replacements or improvements and expenses minor items. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, as follows:

	Years
Gathering systems	20
Processing plants and compression facilities	20 – 25
Buildings, rights-of-way, easements and storage rights	20 – 70
Office furniture and equipment	5 – 10
Vehicles	5
Pipelines	20
Base gas	10

Salt deposits are depleted utilizing the unit of production method.

Identifiable Intangible Assets

The Company has recorded certain identifiable intangible assets, including customer accounts, trademarks, deferred financing costs and gas gathering, compression and processing contracts. Customer accounts a;, purport , might , if , contemplate , potential , pending, target , goals , scheduled , will likely be , and similar words and phrases. Di strategies, plans or intentions often contain forward-looking statements. Factors, among others, that could cause

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our actual results and future actions to differ materially from those described in forward-looking statements include, but are not limited to:

Changes in demand for our products, market conditions, product quality, or product availability adversely affecting sales levels.

Changes in markets or competition adversely affecting realization of price increases.

Failure to achieve projected levels of efficiencies, cost savings and cost reduction measures, including those expected as a result of our lean initiative and strategic sourcing plans.

The expected benefits and the timing of other actions in connection with our enterprise-wide business system.

Availability and costs of raw materials, purchased components, energy and freight.

Changes in expected or future levels of operating cash flow, indebtedness and capital spending.

General economic and business conditions in particular industries or markets.

The anticipated benefits from the Federal stimulus package.

Regulatory issues, changes in tax laws or changes in geographic profit mix affecting tax rates and availability of tax incentives.

A major disruption in one of our manufacturing or distribution facilities or headquarters, including the impact of plant consolidations and relocations.

Changes in our relationships with, or the financial condition or performance of, key distributors and other customers, agents or business partners which could adversely affect our results of operations.

Impact of productivity improvements on lead times, quality and delivery of product.

Anticipated future contributions and assumptions including changes in interest rates and plan assets with respect to pensions.

Adjustments to product warranty accruals in response to claims incurred, historical experiences and known costs.

Unexpected costs or charges, certain of which might be outside of our control.

Changes in strategy, economic conditions or other conditions outside of our control affecting anticipated future global product sourcing levels.

Ability to carry out future acquisitions and strategic investments in our core businesses as well as the acquisition related costs.

Unanticipated difficulties integrating acquisitions as well as the realization of expected synergies and benefits anticipated when we first enter into a transaction.

Political unrest in foreign countries.

Future repurchases of common stock under our common stock repurchase programs.

Changes in accounting principles, interpretations, or estimates.

The outcome of environmental, legal and tax contingencies or costs compared to amounts provided for such contingencies.

Adverse changes in foreign currency exchange rates and the potential use of hedging instruments to hedge the exposure to fluctuating rates of foreign currency exchange on inventory purchases.

Other factors described in our SEC filings, including the Business , Risk Factors and Quantitative and Qualitative Disclosures about Market Risk sections in this Annual Report on Form 10-K for the year ended December 31, 2010.

Any such forward-looking statements are not guarantees of future performances and actual results, developments and business decisions may differ from those contemplated by such forward-looking statements. The Company disclaims any duty to update any forward-looking statement, all of which are expressly qualified by the foregoing, other than as required by law.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

In the operation of our business, we have various exposures to areas of risk related to factors within and outside the control of management. Significant areas of risk and our strategies to manage the exposure are discussed below.

We manufacture and/or assemble our products in the United States, Canada, Switzerland, Puerto Rico, Mexico, China, Italy, UK, Brazil and Australia and sell products in those markets as well as through sales offices in Singapore, China, Mexico, South Korea and countries in the Middle East. Hubbell also participates in joint ventures in Taiwan and China. Shipments from non-U.S. subsidiaries as a percentage of the Company s total net sales were 17% in 2010 and 16% in both 2009 and 2008. The Canada operations represent 29%, UK 20%, Switzerland 18%, and all other countries 33% of total 2010 international sales. As such, our operating results could be affected by changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which we sell our products. To manage this exposure, we closely monitor the working capital requirements of our international units and may enter into forward foreign exchange contracts. Further discussion of forward exchange contracts can be found in Note 14 Fair Value Measurement in the Notes to Consolidated Financial Statements.

Product purchases representing approximately 15% of our net sales are sourced from unaffiliated suppliers located outside the United States, primarily in China and other Asian countries, Europe and Brazil. We are actively seeking to expand this activity, particularly related to purchases from low cost areas of the world. Foreign sourcing of products may result in unexpected fluctuations in product cost or increased risk of business interruption due to lack of product or component availability due to any one of the following:

- Political or economic uncertainty in the source country
- Fluctuations in the rate of exchange between the U.S. dollar and the currencies of the source countries
- Increased logistical complexity including supply chain interruption or delay, port of departure or entry disruption and overall time to market
- Loss of proprietary information
- Product quality issues outside the control of the Company

We have developed plans that address many of these risks. Such actions include careful selection of products to be outsourced and the suppliers selected; ensuring multiple sources of supply; limiting concentrations of activity by port, broker, freight forwarder, etc., processes related to quality control; and maintaining control over operations, technologies and manufacturing deemed to provide competitive advantage. Many of our businesses have a dependency on certain basic raw materials needed to produce their products including steel, aluminum, brass, copper, bronze, plastics, phenols, zinc, nickel, elastomers and petrochemicals as well as purchased electrical and electronic components. Our financial results could be affected by the availability and changes in prices of these materials and components.

Certain of these materials are sourced from a limited number of suppliers. These materials are also key source materials for many other companies in our industry and within the universe of industrial manufacturers in general. As such, in periods of rising demand for these materials, we may experience both increased costs and/or limited supply. These conditions can potentially result in our inability to acquire these key materials on a timely basis to produce our products and satisfy our incoming sales orders. Similarly, the cost of these materials can rise suddenly and result in materially higher costs of producing our products. We believe we have adequate primary and secondary sources of supply for each of our key materials and that, in periods of rising prices, we expect to recover a majority of the increased cost in the form of higher selling prices. However, recoveries typically lag the effect of cost increases due to the nature of our markets.

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Our financial results are subject to interest rate fluctuations to the extent there is a difference between the amount of our interest-earning assets and the amount of interest-bearing liabilities. The principal objectives of our investment management activities are to preserve capital while earning net investment income that is commensurate with acceptable levels of interest rate, default and liquidity risk taking into account our funding needs. As part of our investment management strategy, we may use derivative financial products such as interest rate hedges and interest rate swaps. Refer to further discussion under Capital Structure within this Management s Discussion and Analysis.

From time to time or when required, we issue commercial paper, which exposes us to changes in interest rates. Our cash position includes amounts denominated in foreign currencies. We manage our worldwide cash requirements by considering available funds held by our subsidiaries and the cost effectiveness with which these funds can be accessed.

We continually evaluate risk retention and insurance levels for product liability, property damage and other potential exposures to risk. We devote significant effort to maintaining and improving safety and internal control programs, which are intended to reduce our exposure to certain risks. We determine the level of insurance coverage and the likelihood of a loss and believe that the current levels of risk retention are consistent with those of comparable companies in the industries in which we operate. There can be no assurance that we will not incur losses beyond the limits of our insurance. However, our liquidity, financial position and profitability are not expected to be materially affected by the levels of risk retention that we accept.

The following table presents cost information related to interest risk sensitive instruments by maturity at December 31, 2010 (dollars in millions):

	2011	2012	2013	2014	2015	Thereafter	Total	Fair Value 12/31/10
Assets								
Available-for-sale investments	$ 8.8	$ 3.0	$ 2.9	$ 7.9	$ 3.8	$ 9.3	$ 35.7	$ 36.4
Avg. interest rate	3.67%	5.00%	4.58%	5.03%	5.00%	4.98%		
Liabilities								
Long-term debt	$	$	$	$	$	$ 595.9	$ 595.9	$ 619.7
Avg. interest rate						4.79%	4.79%	
Short-term debt	$ 1.8	$	$	$	$	$	$ 1.8	$ 1.8
Avg. interest rate	14.12%						14.12%	

All of the assets and liabilities above are fixed rate instruments except for the short-term debt. The short-term debt consists of a revolving credit facility with HSBC Bank which is used to fund our Brazilian operations. Interest rates for this facility are calculated using the Brazilian Interbank overnight money rate plus twenty five basis points.

We use derivative financial instruments only if they are matched with a specific asset, liability, or proposed future transaction. We do not speculate or use leverage when trading a financial derivative product. See also Note 6 Investments and Note 11 Debt in the Notes to Consolidated Financial Statements.

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Item 8. ***Financial Statements and Supplementary Data***

INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

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Consolidated Balance Sheet at December 31, 2010 and 2009	38
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All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

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REPORT OF MANAGEMENT
HUBBELL INCORPORATED AND SUBSIDIARIES

Report on Management s Responsibility for Financial Statements

Our management is responsible for the preparation, integrity and fair presentation of its published financial statements. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include amounts based on informed judgments made by management.

We believe it is critical to provide investors and other users of our financial statements with information that is relevant, objective, understandable and timely, so that they can make informed decisions. As a result, we have established and maintain systems and practices and internal control processes designed to provide reasonable, but not, absolute assurance that transactions are properly executed and recorded and that our policies and procedures are carried out appropriately. Management strives to recruit, train and retain high quality people to ensure that controls are designed, implemented and maintained in a high-quality, reliable manner.

Our independent registered public accounting firm audited our financial statements and the effectiveness of our internal control over financial reporting in accordance with Standards established by the Public Company Accounting Oversight Board (United States). Their report appears on the next page within this Annual Report on Form 10-K.

Our Board of Directors normally meets at least five times per year to provide oversight, to review corporate strategies and operations, and to assess management s conduct of the business. The Audit Committee of our Board of Directors (which meets approximately nine times per year) is comprised of at least three individuals all of whom must be independent under current New York Stock Exchange listing standards and regulations adopted by the SEC under the federal securities laws. The Audit Committee meets regularly with our internal auditors and independent registered public accounting firm, as well as management to review, among other matters, accounting, auditing, internal controls and financial reporting issues and practices. Both the internal auditors and independent registered public accounting firm have full, unlimited access to the Audit Committee.

Management s Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate systems of internal control over financial reporting as defined by Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that our internal control over financial reporting was effective at a reasonable assurance level as of December 31, 2010.

The effectiveness of our internal control over financial reporting as of December 31, 2010 has been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm as stated in their report which is included on the next page within this Annual Report on Form 10-K.

Timothy H. Powers Chairman of the Board, President & Chief Executive Officer	David G. Nord Senior Vice President and Chief Financial Officer

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Hubbell Incorporated:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Hubbell Incorporated and its subsidiaries (the Company) at December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company s internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Stamford, Connecticut

February 16, 2011

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HUBBELL INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

	Year Ended December 31, 2010	2009	2008
	(In millions, except per share amounts)		
Net sales	$ 2,541.2	$ 2,355.6	$ 2,704.4
Cost of goods sold	1,712.5	1,629.7	1,901.0
Gross profit	828.7	725.9	803.4
Selling & administrative expenses	460.9	431.2	457.4
Operating income	367.8	294.7	346.0
Investment income	0.1	0.3	2.8
Loss on extinguishment of debt	(14.7)		
Interest expense	(31.1)	(30.9)	(27.4)
Other expense, net	(1.7)	(2.5)	(3.0)
Total other expense	(47.4)	(33.1)	(27.6)
Income before income taxes	320.4	261.6	318.4
Provision for income taxes	101.6	80.3	95.2
Net income	218.8	181.3	223.2
Less: Net income attributable to noncontrolling interest	1.6	1.2	0.5
Net income attributable to Hubbell	$ 217.2	$ 180.1	$ 222.7
Earnings per share			
Basic	$ 3.61	$ 3.16	$ 3.96
Diluted	$ 3.59	$ 3.15	$ 3.93

See notes to consolidated financial statements.

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HUBBELL INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	At December 31, 2010	At December 31, 2009
	(In millions, except share amounts)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 520.7	$ 258.5
Short-term investments	8.8	2.6
Accounts receivable, net	341.8	310.1
Inventories, net	298.4	263.5
Deferred taxes and other	56.4	76.6
Total Current Assets	1,226.1	911.3
Property, Plant, and Equipment, net	358.3	368.8
Other Assets		
Investments	30.2	25.5
Goodwill	724.0	724.2
Intangible assets and other	367.2	373.0
Total Assets	$ 2,705.8	$ 2,402.8
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt	$ 1.8	$
Accounts payable	160.8	130.8
Accrued salaries, wages and employee benefits	70.4	62.8
Accrued insurance	48.5	49.3
Dividends payable	21.9	20.9
Other accrued liabilities	141.6	154.7
Total Current Liabilities	445.0	418.5
Long-term Debt	595.9	497.2
Other Non-Current Liabilities	201.4	185.1
Total Liabilities	1,242.3	1,100.8
Commitments and Contingencies (see Note 15)		
Hubbell Shareholders Equity		
Common stock, par value $.01		
Class A Authorized 50,000,000 shares, outstanding 7,167,506 and 7,167,506 shares	0.1	0.1
Class B Authorized 150,000,000 shares, outstanding 53,529,136 and 52,493,487 shares	0.5	0.5

Additional paid-in capital	201.3	158.4
Retained earnings	1,338.6	1,208.0
Accumulated other comprehensive loss	(81.3)	(68.8)
Total Hubbell Shareholders Equity	1,459.2	1,298.2
Noncontrolling interest	4.3	3.8
Total Equity	1,463.5	1,302.0
Total Liabilities and Equity	$ 2,705.8	$ 2,402.8

See notes to consolidated financial statements.

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HUBBELL INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended December 31,		
	2010	2009	2008
	(In millions)		
Cash Flows from Operating Activities			
Net income	$ 218.8	$ 181.3	$ 223.2
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	72.5	70.6	63.1
Deferred income taxes	25.0	32.3	0.7
Stock-based compensation	11.4	10.3	12.5
Tax benefit on stock-based awards	(9.7)	(1.3)	(0.8)
Gain on sale of assets	1.3	0.5	0.6
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(26.1)	85.5	(3.7)
(Increase) decrease in inventories	(32.6)	98.7	6.9
Increase (decrease) in current liabilities	19.8	(57.3)	18.9
Changes in other assets and liabilities, net	9.7	9.7	7.4
Contributions to defined benefit pension plans	(23.7)	(27.4)	(11.2)
Other, net	(0.2)	(5.2)	1.6
Net cash provided by operating activities	266.2	397.7	319.2
Cash Flows from Investing Activities			
Capital expenditures	(47.3)	(29.4)	(49.4)
Acquisitions, net of cash acquired		(355.8)	(267.4)
Purchases of available-for-sale investments	(25.4)	(5.2)	(16.6)
Proceeds from available-for-sale investments	14.9	14.7	20.5
Proceeds from disposition of assets	1.9	0.6	1.0
Other, net	1.2	2.0	5.5
Net cash used in investing activities	(54.7)	(373.1)	(306.4)
Cash Flows from Financing Activities			
Proceeds from stock issuance, net		122.0	
Commercial paper repayments			(36.7)
Issuance of short-term debt	3.4		
Payment of short-term debt	(1.7)		
Issuance of long-term debt, net	297.5		297.7
Payment of long-term debt	(200.0)		
Debt issuance costs	(2.7)		(2.7)
Payment of dividends	(85.6)	(78.9)	(76.9)
Payment of dividends to noncontrolling interest	(1.1)	(0.4)	
Proceeds from exercise of stock options	49.3	5.7	8.1

Tax benefit on stock-based awards	9.7	1.3	0.8
Acquisition of common shares	(23.3)		(96.6)
Other, net		0.1	
Net cash provided by financing activities	45.5	49.8	93.7
Effect of foreign currency exchange rate changes on cash and cash equivalents	5.2	5.9	(5.8)
Increase in cash and cash equivalents	262.2	80.3	100.7
Cash and cash equivalents			
Beginning of year	258.5	178.2	77.5
End of year	$ 520.7	$ 258.5	$ 178.2

See notes to consolidated financial statements.

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HUBBELL INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Three Years Ended December 31, 2010, 2009 and 2008
(In millions, except per share amounts)

	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Hubbell Shareholders Equity	Noncontrolling interest
Balance at December 31, 2007	$ 0.1	$ 0.5	$ 93.3	$ 962.7	$ 26.0	$ 1,082.6	$ 2.5
Net income				222.7		222.7	0.5
Adjustment to pension and other benefit plans, net of tax of $54.9					(92.1)	(92.1)	
Translation adjustments					(53.7)	(53.7)	
Unrealized gain on cash flow hedge, net of tax of $1.2					3.0	3.0	
Total comprehensive income						79.9	
Stock-based compensation			12.5			12.5	
Exercise of stock options			8.1			8.1	
Income tax shortfall from stock-based awards, net			(0.1)			(0.1)	
Acquisition/surrender of common shares			(97.5)			(97.5)	
Cash dividends declared ($1.38 per share)				(77.4)		(77.4)	
Balance at December 31, 2008	$ 0.1	$ 0.5	$ 16.3	$ 1,108.0	$ (116.8)	$ 1,008.1	$ 3.0
Net income				180.1		180.1	1.2
Adjustment to pension and other benefit plans, net of tax of $8.6					14.3	14.3	
Translation adjustments					35.3	35.3	
Unrealized gain on investments, net of tax of $0.1					0.3	0.3	
Unrealized loss on cash flow hedge, net of tax of $1.0					(1.9)	(1.9)	
Total comprehensive income						228.1	
Stock-based compensation			10.3			10.3	
Exercise of stock options			5.7			5.7	
Income tax windfall from stock-based awards, net			0.6			0.6	

Issuance of shares related to director s deferred compensation			5.2			5.2	
Acquisition/surrender of common shares			(1.7)			(1.7)	
Cash dividends declared ($1.40 per share)				(80.1)		(80.1)	
Issuance of common stock, net			122.0			122.0	
Dividends to noncontrolling interest							(0.4)
Balance at December 31, 2009	$ 0.1	$ 0.5	$ 158.4	$ 1,208.0	$ (68.8)	$ 1,298.2	$ 3.8
Net income				217.2		217.2	1.6
Adjustment to pension and other benefit plans, net of tax of $9.7					(23.9)	(23.9)	
Translation adjustments					11.9	11.9	
Unrealized loss on cash flow hedge, net of tax of $0.4					(0.5)	(0.5)	
Total comprehensive income						204.7	
Stock-based compensation			11.4			11.4	
Exercise of stock options			49.3			49.3	
Income tax windfall from stock-based awards, net			9.4			9.4	
Acquisition/surrender of common shares			(27.2)			(27.2)	
Cash dividends declared ($1.44 per share)				(86.6)		(86.6)	
Dividends to noncontrolling interest							(1.1)
Balance at December 31, 2010	$ 0.1	$ 0.5	$ 201.3	$ 1,338.6	$ (81.3)	$ 1,459.2	$ 4.3

See notes to consolidated financial statements.

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Reclassification

Certain reclassifications have been made in prior year financial statements and notes to conform to the current year presentation. In addition, certain changes to prior year balance sheet amounts have been made in accordance with the business combinations accounting guidance to reflect adjustments made during the measurement period to provisional amounts recorded for deferred tax assets acquired related to the October 2009 Burndy acquisition. See Note 2 Business Acquisitions.

Revision to Financial Statement Presentation

During the third quarter of 2010, we determined that the December 31, 2009 deferred tax assets and deferred tax liabilities related to the Burndy acquisition were misclassified, primarily as a result of improperly applying the jurisdictional netting rules of the income taxes accounting guidance. The Company has assessed the materiality of this correction in accordance with the SEC Staff Accounting Bulletin (SAB) No. 99 Materiality and has concluded that the previously issued financial statements are not materially misstated. In accordance with the SEC s SAB No. 108 Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements , the Company has corrected the immaterial misstatement by revising the prior period balance sheet by decreasing current deferred tax assets (reflected in Deferred taxes and other) by $17.1 million, decreasing non-current deferred tax assets (reflected in Intangible assets and other) by $44.6 million and by decreasing its non-current deferred tax liability (reflected in Other Non-current liabilities) by $61.7 million. This revision did not impact the statement of income or the statement of cash flows for any period.

Principles of Consolidation

The Consolidated Financial Statements include all subsidiaries; all significant intercompany balances and transactions have been eliminated. The Company participates in two joint ventures, one of which is accounted for using the equity method, the other has been consolidated in accordance with the consolidation accounting guidance. Effective January 2010, an amendment to the accounting guidance replaced the quantitative-based risks and rewards calculation for determining which reporting entity, if any, has a controlling financial interest in a variable interest entity (VIE) with a primarily qualitative analysis. The qualitative analysis is based on identifying the party that has both the power to direct the activities that most significantly impact the VIE s economic performance (the power criterion) and the obligation to absorb losses from or the right to receive benefits of the VIE that could potentially be significant to the VIE (the losses/benefit criterion). The party that meets both these criteria is deemed to have a controlling financial interest. The party with the controlling financial interest is considered to be the primary beneficiary and as a result is required to consolidate the VIE. The Company has a 50% interest in a joint venture in Hong Kong, established as Hubbell Asia Limited (HAL). The principal objective of HAL is to manage the operations of its wholly-owned manufacturing company in China. Under the new accounting guidance, the Company continues to be the primary beneficiary of HAL and as a result continues to consolidate HAL. This determination is based on the fact that HAL s sole business purpose is to manufacture product exclusively for the Company (the power criterion) and the Company is financially responsible for ensuring HAL maintains a fixed operating margin (the losses/benefit criterion). The consolidation of HAL is not material to the Company s consolidated financial statements.

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts in the Consolidated Financial Statements and accompanying Notes to Consolidated Financial Statements. Actual results could differ from the estimates that are used.

Revenue Recognition

Revenue is recognized when title to the goods sold and the risk of loss have passed to the customer, there is persuasive evidence of a purchase arrangement, delivery has occurred or services are rendered, the price is determinable and collectibility is reasonably assured. Revenue is typically recognized at the time of shipment as the Company s shipping terms are generally FOB shipping point. The Company recognizes less than one percent of total annual consolidated net revenue from post shipment obligations and service contracts, primarily within the Electrical segment. Revenue is recognized under these contracts when the service is completed and all conditions of sale have been met. In addition, within the Electrical segment, certain businesses sell large and complex equipment which requires construction and assembly and has long lead times. It is customary in these businesses to require a portion of the selling price to be paid in advance of construction. These payments are treated as deferred revenue and are classified in Other accrued liabilities in the Consolidated Balance Sheet. Once the equipment is shipped to the customer and meets the revenue recognition criteria, the deferred revenue is recognized in the Consolidated Statement of Income.

Further, certain of our businesses account for sales discounts and allowances based on sales volumes, specific programs and customer deductions, as is customary in the electrical products industry. These items primarily relate to sales volume incentives, special pricing allowances, and returned goods. Sales volume incentives represent rebates with specific sales volume targets for specific customers. Certain distributors qualify for price rebates by subsequently reselling the Company s products into select channels of end users. Following a distributor s sale of an eligible product, the distributor submits a claim for a price rebate. Customers have a right to return goods under certain circumstances which are reasonably estimable by affected businesses. Customer returns have historically ranged from 1%-3% of gross sales.

These arrangements require us to estimate at the time of sale the amounts that should not be recorded as revenue as these amounts are not expected to be collected in cash from customers. The Company principally relies on historical experience, specific customer agreements and anticipated future trends to estimate these amounts at the time of shipment.

Shipping and Handling Fees and Costs

The Company records shipping and handling costs as part of Cost of goods sold in the Consolidated Statement of Income. Any amounts billed to customers for reimbursement of shipping and handling are included in Net sales in the Consolidated Statement of Income.

Foreign Currency Translation

The assets and liabilities of international subsidiaries are translated to U.S. dollars at exchange rates in effect at the end of the year, and income and expense items are translated at average exchange rates in effect during the year. The effects of exchange rate fluctuations on the translated amounts of foreign currency assets and liabilities are included as translation adjustments in Accumulated other comprehensive loss within Hubbell shareholders equity. Gains and losses from foreign currency transactions are included in results of operations.

Cash and Cash Equivalents

Cash equivalents consist of investments with original maturities of three months or less. The carrying value of cash equivalents approximates fair value because of their short maturities.

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Investments

The Company defines short-term investments as securities with original maturities of greater than three months but less than one year; all other investments are classified as long-term. Investments in debt and equity securities are classified by individual security as either available-for-sale, held-to-maturity or trading investments. Our available-for-sale investments, consisting of municipal bonds, are carried on the balance sheet at fair value with current period adjustments to carrying value recorded in Accumulated other comprehensive loss within Hubbell shareholders equity, net of tax. Realized gains and losses are recorded in income in the period of sale. The Company s trading investments are carried on the balance sheet at fair value and consist primarily of debt and equity mutual funds. Unrealized gains and losses associated with these trading investments are reflected in the results of operations.

Accounts Receivable and Allowances

Trade accounts receivable are recorded at the invoiced amount and generally do not bear interest. The allowance for doubtful accounts is based on an estimated amount of probable credit losses in existing accounts receivable. The allowance is calculated based upon a combination of historical write-off experience, fixed percentages applied to aging categories and specific identification based upon a review of past due balances and problem accounts. The allowance is reviewed on at least a quarterly basis. Account balances are charged off against the allowance when it is determined that internal collection efforts should no longer be pursued. The Company also maintains a reserve for credit memos, cash discounts and product returns which are principally calculated based upon historical experience, specific customer agreements, as well as anticipated future trends.

Inventories

Inventories are stated at the lower of cost or market value. The cost of substantially all domestic inventories (approximately 82% of total net inventory value) is determined utilizing the last-in, first-out (LIFO) method of inventory accounting. The cost of foreign inventories and certain domestic inventories is determined utilizing average cost or first-in, first-out (FIFO) methods of inventory accounting.

Property, Plant, and Equipment

Property, plant and equipment values are stated at cost less accumulated depreciation. Maintenance and repair expenditures are charged to expense when incurred. Property, plant and equipment placed in service prior to January 1, 1999 are depreciated over their estimated useful lives, principally using accelerated methods. Assets placed in service subsequent to January 1, 1999 are depreciated over their estimated useful lives, using straight-line methods. Leasehold improvements are amortized over the shorter of their economic lives or the lease term. Gains and losses arising on the disposal of property, plant and equipment are included in Operating Income in the Consolidated Statement of Income.

Capitalized Computer Software Costs

Qualifying costs of internal use software are capitalized in accordance with the internal-use software accounting guidance. Capitalized costs include purchased materials and services and payroll and payroll-related costs. General and administrative, overhead, maintenance and training costs, as well as the cost of software that does not add functionality to existing systems, are expensed as incurred. The cost of internal use software is amortized on a straight-line basis over appropriate periods, generally five years. The unamortized balance of internal use software is included in Intangible assets and other in the Consolidated Balance Sheet.

Capitalized computer software costs, net of amortization, were $9.6 million and $12.5 million at December 31, 2010 and 2009, respectively. The Company recorded amortization expense of $8.1 million, $10.9 million and $10.7 million in 2010, 2009 and 2008, respectively, relating to capitalized computer software.

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HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Goodwill and Other Intangible Assets

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired companies. Indefinite-lived intangible assets and goodwill are subject to annual impairment testing using the specific guidance and criteria described in the accounting guidance. The Company performs its goodwill impairment testing as of April 1st of each year, unless circumstances dictate the need for more frequent assessments. Goodwill impairment testing involves a two-step process. Step 1 compares the fair value of the Company s reporting units to their carrying values. If the fair value of the reporting unit exceeds its carrying value, no further analysis is necessary. If the carrying value of the reporting unit exceeds its fair value, Step 2 must be completed to quantify the amount of impairment.

Goodwill impairment testing requires judgment, including the identification of reporting units, assigning assets and liabilities to reporting units and determining the fair value of each reporting unit. Significant judgments required to estimate the fair value of reporting units include estimating future cash flows, determining appropriate discount rates and other assumptions. The Company uses internal discounted cash flow estimates to determine fair value. These cash flow estimates are derived from historical experience and future long-term business plans and the application of an appropriate discount rate. The aggregate fair value of the Company s reporting units is compared to the Company s market capitalization on the valuation date to assess its reasonableness. Changes in these estimates and assumptions could materially affect the determination of fair value and/or goodwill impairment for each reporting unit.

As of April 1, 2010, the impairment testing resulted in implied fair values for each reporting unit that exceeded the reporting unit s carrying value, including goodwill. The Company did not have any reporting units at risk of failing Step 1 of the impairment test as the excess of the estimated fair value over carrying value (expressed as a percentage of carrying value) ranged from approximately 50% to approximately 200% for the respective reporting units. The Company has not recorded any goodwill impairments since the initial adoption of the accounting guidance in 2002. Additionally, the Company also performed its annual impairment testing of indefinite-lived intangible assets which resulted in no impairment in 2010, 2009 and 2008. Intangible assets with definite lives are being amortized over periods generally ranging from 5-30 years.

Other Long-Lived Assets

The Company reviews depreciable long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. If such a change in circumstances occurs, the related estimated future undiscounted cash flows expected to result from the use of the asset and its eventual disposition is compared to the carrying amount. If the sum of the expected cash flows is less than the carrying amount, we record an impairment charge. The impairment charge is measured as the amount by which the carrying amount exceeds the fair value of the asset. The fair value of impaired assets is determined using expected cash flow estimates, quoted market prices when available and appraisals as appropriate. The Company did not record any material impairment charges in 2010, 2009 and 2008.

Income Taxes

The Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. The IRS and other tax authorities routinely review the Company s tax returns. These audits can involve complex issues which may require an extended period of time to resolve. The Company makes adequate provisions for best estimates of exposures on previously filed tax returns. Deferred income taxes are recognized for the tax consequence of differences between financial statement carrying amounts and the tax basis of assets and liabilities by applying the currently enacted statutory tax rates in accordance with the accounting guidance for incomes taxes. The effect of a change in statutory tax rates is recognized in the period that includes the enactment date. Additionally, deferred tax assets are required to be reduced by a valuation allowance if it is more-likely-than-not that some portion or all of the deferred tax asset will not be realized. The Company uses factors to assess the

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HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

likelihood of realization of deferred tax assets such as the forecast of future taxable income and available tax planning strategies that could be implemented to realize the deferred tax assets.

In addition, the accounting guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of the tax position taken or expected to be taken in a tax return. For any amount of benefit to be recognized, it must be determined that it is more-likely-than-not that a tax position will be sustained upon examination by taxing authorities based on the technical merits of the position. The amount of benefit to be recognized is based on the Company s assertion of the most likely outcome resulting from an examination, including resolution of any related appeals or litigation processes. Companies are required to adjust their financial statements to reflect only those tax positions that are more-likely-than-not to be sustained. See also Note 12 Income Taxes.

Research and Development

Research and development expenditures represent costs to discover and/or apply new knowledge in developing a new product, process, or in bringing about a significant improvement to an existing product or process. Research and development expenses are recorded as a component of Cost of goods sold. Expenses for research and development were less than 1% of Cost of goods sold for each of the years 2010, 2009 and 2008.

Retirement Benefits

The Company maintains various defined benefit pension plans for some of its U.S. and foreign employees. The accounting guidance for retirement benefits requires the Company to recognize the funded status of its defined benefit pension and postretirement plans as an asset or liability in the Consolidated Balance Sheet. Gains or losses, prior service costs or credits, and transition assets or obligations that have not yet been included in net periodic benefit cost as of the end of the year are recognized as components of Accumulated other comprehensive loss, net of tax, within Hubbell shareholders equity. The Company s policy is to fund pension costs within the ranges prescribed by applicable regulations. In addition to providing defined benefit pension benefits, the Company provides health care and life insurance benefits for some of its active and retired employees. The Company s policy is to fund these benefits through insurance premiums or as actual expenditures are made. See also Note 10 Retirement Benefits.

Earnings Per Share

The earnings per share accounting guidance requires use of the two-class method in determining earnings per share. The two-class method is an earnings allocation formula that determines earnings per share for common stock and participating securities. Restricted stock granted by the Company is considered a participating security since it contains a non-forfeitable right to dividends. Basic earnings per share is calculated as net income available to common shareholders divided by the weighted average number of shares of common stock outstanding. Earnings per diluted share is calculated as net income available to common shareholders divided by the weighted average number of shares outstanding of common stock plus the incremental shares outstanding assuming the exercise of dilutive stock options, stock appreciation rights, restricted shares and performance shares. See also Note 18 Earnings Per Share.

Stock-Based Employee Compensation

The Company measures stock-based employee compensation in accordance with the accounting guidance for stock based compensation. This standard requires expensing the value of all share-based payments, including stock options and similar awards, based upon the award s fair value over the requisite service period. The expense is recorded in Cost of goods sold and S&A expense in the Consolidated Statement of Income based on the employees respective functions.

The Company records deferred tax assets for awards that will result in deductions on its tax returns, based upon the amount of compensation cost recognized and the statutory tax rate in the jurisdiction in which it will receive a deduction. Differences between the deferred tax assets recognized for financial reporting purposes and the actual

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

tax deduction reporting in the Company s tax return are recorded to Additional paid-in capital to the extent that previously recognized credits to paid-in capital are still available. See also Note 17 Stock-Based Compensation.

Comprehensive Income

Comprehensive income is a measure of net income and all other changes in Hubbell shareholders equity that result from recognized transactions and other events of the period other than transactions with shareholders. See also the Consolidated Statement of Changes in Equity and Note 19 Accumulated Other Comprehensive Loss.

Derivatives

In order to limit financial risk in the management of its assets, liabilities and debt, the Company may use derivative financial instruments such as foreign currency hedges, commodity hedges, interest rate hedges and interest rate swaps. All derivative financial instruments are matched with an existing Company asset, liability or proposed transaction. The Company does not speculate or use leverage when trading a derivative product. Market value gains or losses on the derivative financial instrument are recognized in income when the effects of the related price changes of the underlying asset or liability are recognized in income. See Note 14 Fair Value Measurement for more information regarding our derivative instruments.

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued new guidance that both expanded and clarified the disclosure requirements related to fair value measurements. Entities are required to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 of the fair value valuation hierarchy and describe the reasons for the transfers. Additionally, entities are required to disclose and roll forward Level 3 activity on a gross basis rather than as one net number. The new guidance also clarified that entities are required to provide fair value measurement disclosures for each class of assets and liabilities. In addition, entities are required to provide disclosures about the valuation techniques and inputs used to measure fair value of assets and liabilities that fall within Level 2 or Level 3 of the fair value valuation hierarchy. The new disclosures were adopted by the Company on January 1, 2010, except for the Level 3 roll forward disclosures. The Level 3 roll forward disclosures are effective for fiscal years beginning after December 15, 2010 and, as a result, will be adopted by the Company on January 1, 2011. See Note 14 Fair Value Measurement.

In July 2010 the FASB issued new accounting guidance to improve the disclosures that an entity provides about the credit quality of its financing receivables and the related allowance for credit losses. Accounts receivable with terms exceeding one year are considered finance receivables subject to the provisions of this standard. The Company s trade receivables, which arose from the sale of goods or services, have a contractual maturity of one year or less and therefore are not subject to the provisions of this standard. The Company does not have any significant receivables with a term exceeding one year and as a result, the standard does not have a material impact on the Company.

Note 2 Business Acquisitions

On October 2, 2009, the Company completed the purchase of Burndy for $355.2 million in cash (net of cash acquired of $33.6 million). Burndy is a leading North American manufacturer of connectors, cable accessories and tooling. Burndy serves commercial and industrial markets and utility customers primarily in the United States (with approximately 25% of its sales in Canada, Mexico and Brazil). The Burndy acquisition was added to the electrical systems business within the Electrical segment.

During the measurement period, which ended October 1, 2010, the Company finalized the tax attributes related to the Burndy acquisition and as a result recorded an additional deferred tax asset of $19.5 million with a corresponding reduction in goodwill. The balance sheet at December 31, 2009 has been retrospectively adjusted to reflect this adjustment as required by the business combinations accounting guidance. The following table

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

summarizes the final fair values of the assets acquired and the liabilities assumed related to the Burndy acquisition (in millions):

	Initial Valuation	2010 Fair Value Adjustment	Final Valuation
Purchase Price Allocation:			
Accounts receivable	$ 32.5	$	$ 32.5
Inventory	23.4		23.4
Deferred tax assets	91.2	19.5	110.7
Property, plant and equipment	40.7		40.7
Other assets	11.1		11.1
Intangible assets	134.4		134.4
Goodwill	137.4	(19.5)	117.9
Deferred tax liabilities	(52.9)		(52.9)
Liabilities related to contingencies	(11.8)		(11.8)
Other liabilities	(50.8)		(50.8)
Total Purchase price	$ 355.2	$	$ 355.2

Note 3 Receivables and Allowances

Receivables consist of the following components at December 31, (in millions):

	2010	2009
Trade accounts receivable	$ 351.7	$ 325.5
Non-trade receivables	14.5	10.5
Accounts receivable, gross	366.2	336.0
Allowance for credit memos, returns, and cash discounts	(20.8)	(20.8)
Allowance for doubtful accounts	(3.6)	(5.1)
Total allowances	(24.4)	(25.9)
Accounts receivable, net	$ 341.8	$ 310.1

Note 4 Inventories

Inventories are classified as follows at December 31, (in millions):

	2010	2009
Raw material	$ 106.0	$ 88.0
Work-in-process	62.4	62.0
Finished goods	206.4	185.2
	374.8	335.2
Excess of FIFO over LIFO cost basis	(76.4)	(71.7)
Total	$ 298.4	$ 263.5

In 2009, inventory quantities were significantly reduced. This reduction resulted in a liquidation of LIFO inventory quantities carried at lower costs prevailing in prior years as compared with the cost of 2009 purchases, the effect of which decreased cost of goods sold by approximately $11.8 million (an earnings per diluted share impact

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

of approximately $0.13) for the year ended December 31, 2009. The Company did not record any significant LIFO liquidations in 2010.

Note 5 Goodwill and Other Intangible Assets

Changes in the carrying amounts of goodwill for the years ended December 31, 2010 and 2009, by segment, were as follows (in millions):

	Segment		
	Electrical	Power	Total
Balance December 31, 2008	$ 324.1	$ 260.5	$ 584.6
Acquisitions	112.6	14.2	126.8
Translation adjustments	9.0	3.8	12.8
Balance December 31, 2009	$ 445.7	$ 278.5	$ 724.2
Adjustments	1.0	(3.2)	(2.2)
Translation adjustments	1.5	0.5	2.0
Balance December 31, 2010	$ 448.2	$ 275.8	$ 724.0

The October 2009 Burndy acquisition resulted in goodwill of $117.9 million, which is not deductible for tax purposes. During 2010, goodwill related to this acquisition decreased $19.5 million for measurement period adjustments related to the finalization of Burndy s deferred tax attributes. In the table above, these retrospective adjustments are reflected in the Electrical segment goodwill balance at December 31, 2009, in accordance with the accounting guidance for business combinations. See also Note 2 Business Acquisitions.

Additionally, upon finalization of the Company s 2009 federal income tax return, adjustments were recorded related to the 2008 acquisition of the Varon Lighting Group, LLC and CDR Systems Corp. These adjustments, recorded in the Electrical and Power segments, were $1.0 million and ($3.2) million, respectively.

The Company has not recorded any goodwill impairments since the initial adoption of the accounting guidance in 2002.

Identifiable intangible assets are recorded in Intangible assets and other in the Consolidated Balance Sheet. Identifiable intangible assets are comprised of the following (in millions):

	December 31, 2010		December 31, 2009	
		Accumulated Amortization		Accumulated Amortization

	Gross Amount		Gross Amount	
Definite-lived:				
Patents, tradenames and trademarks	$ 83.6	$ (15.2)	$ 83.0	$ (11.0)
Customer/Agent relationships and other	183.1	(34.6)	181.3	(22.0)
Total	266.7	(49.8)	264.3	(33.0)
Indefinite-lived:				
Tradenames and other	56.6		56.2	
Total	$ 323.3	$ (49.8)	$ 320.5	$ (33.0)

Amortization expense associated with these definite-lived intangible assets was $16.5 million, $12.6 million and $7.8 million in 2010, 2009 and 2008, respectively. Amortization expense associated with these intangible assets is expected to be $15.9 million in 2011, $15.3 million in 2012, $14.9 million in 2013, $14.0 million in 2014 and $13.0 million in 2015.

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HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 6 Investments

At December 31, 2010 and December 31, 2009, the Company had both available-for-sale and trading investments. The available-for-sale investments consisted entirely of municipal bonds while the trading investments were comprised primarily of debt and equity mutual funds. These investments are stated at fair market value based on current quotes.

The following table sets forth selected data with respect to the Company s investments at December 31, (in millions):

	2010					2009				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Carrying Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Carrying Value
Available-For-Sale Investments	$ 35.7	$ 0.7	$	$ 36.4	$ 36.4	$ 25.1	$ 0.9	$ (0.1)	$ 25.9	$ 25.9
Trading Investments	2.1	0.5		2.6	2.6	1.9	0.3		2.2	2.2
Total Investments	$ 37.8	$ 1.2	$	$ 39.0	$ 39.0	$ 27.0	$ 1.2	$ (0.1)	$ 28.1	$ 28.1

Contractual maturities of available-for-sale investments at December 31, 2010 were as follows (in millions):

	Amortized Cost	Fair Value
Available-For-Sale Investments		
Due within 1 year	$ 8.8	$ 8.8
After 1 year but within 5 years	17.6	18.1
After 5 years but within 10 years	6.6	6.7
Due after 10 years	2.7	2.8
Total	$ 35.7	$ 36.4

At December 31, 2010 and December 31, 2009, the total net of tax unrealized gains recorded relating to available-for-sale securities were $0.5 million. These net unrealized gains have been included in Accumulated other comprehensive loss, net of tax. Net unrealized gains relating to trading investments have been reflected in the results of operations. The cost basis used in computing the gain or loss on these securities was through specific identification. Realized gains and losses for both available-for-sale and trading securities were immaterial in 2010, 2009 and 2008.

Note 7 Property, Plant, and Equipment

Property, plant, and equipment, carried at cost, is summarized as follows at December 31, (in millions):

	2010	2009
Land	$ 38.5	$ 41.4
Buildings and improvements	216.2	227.8
Machinery, tools and equipment	635.8	620.0
Construction-in-progress	16.2	16.3
Gross property, plant, and equipment	906.7	905.5
Less accumulated depreciation	(548.4)	(536.7)
Net property, plant, and equipment	$ 358.3	$ 368.8

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Depreciable lives on buildings range between 20-40 years. Depreciable lives on machinery, tools, and equipment range between 3-20 years. The Company recorded depreciation expense of $47.1 million, $46.3 million and $43.9 million for 2010, 2009 and 2008, respectively.

Note 8 Other Accrued Liabilities

Other accrued liabilities consists of the following at December 31, (in millions):

	2010	2009
Deferred revenue	$ 34.9	$ 44.1
Customer program incentives	31.2	23.5
Other	75.5	87.1
Total	$ 141.6	$ 154.7

Note 9 Other Non-Current Liabilities

Other non-current liabilities consists of the following at December 31, (in millions):

	2010	2009
Pensions	$ 103.2	$ 86.0
Other postretirement benefits	32.1	36.8
Deferred tax liabilities	21.2	21.5
Other	44.9	40.8
Total	$ 201.4	$ 185.1

Note 10 Retirement Benefits

The Company has funded and unfunded non-contributory U.S. and foreign defined benefit pension plans. Benefits under these plans are generally provided based on either years of service and final average pay or a specified dollar amount per year of service. The Company also maintains six defined contribution pension plans.

Effective January 1, 2004, the defined benefit pension plan for U.S. salaried and non-collectively bargained hourly employees was closed to employees hired on or after January 1, 2004. Effective January 1, 2006, the defined benefit pension plan for the Hubbell Canada salaried employees was closed to existing employees who did not meet certain age and service requirements as well as all new employees hired on or after January 1, 2006. Effective January 1, 2007 the defined benefit pension plan for Hubbell s UK operations was closed to all new employees hired on or after January 1, 2007. These U.S., Canadian and UK employees are eligible instead for defined contribution plans. On

December 3, 2002, the Company closed its Retirement Plan for Directors to all new directors appointed after that date. Effective December 31, 2007, benefits accrued under this plan for eligible active directors were converted to an actuarial lump sum equivalent and transferred to the Company s Deferred Compensation Plan for Directors.

The Company also has a number of health care and life insurance benefit plans covering eligible employees who reached retirement age while working for the Company. These benefits have been discontinued for substantially all future retirees. The Company anticipates future cost-sharing changes for its discontinued plans that are consistent with past practices.

The Company uses a December 31 measurement date for all of its plans. There were no amendments made in 2010 or 2009 to the defined benefit pension plans which had a significant impact on the total pension benefit obligation. During 2010, amendments made to the Hubbell and Burndy Retiree Medical Plans resulted in a reduction of $7.5 million to the liability.

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HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table sets forth the reconciliation of beginning and ending balances of the benefit obligations and the plan assets for the Company s defined benefit pension and other benefit plans at December 31, (in millions):

	Pension Benefits		Other Benefits	
	2010	**2009**	**2010**	**2009**
Change in benefit obligation				
Benefit obligation at beginning of year	$ 647.0	$ 578.9	$ 39.7	$ 28.0
Service cost	12.7	12.2	0.3	0.6
Interest cost	37.8	36.9	2.1	1.7
Plan participants contributions	0.7	0.7		
Amendments			(7.5)	(0.7)
Curtailment and settlement gain		(0.5)		
Actuarial loss (gain)	61.0	37.5	2.1	(0.3)
Acquisitions/Divestitures		5.7		13.1
Currency impact	(1.3)	5.5		
Other	(0.7)	(0.1)	(0.5)	
Benefits paid	(34.7)	(29.8)	(3.2)	(2.7)
Benefit obligation at end of year	$ 722.5	$ 647.0	$ 33.0	$ 39.7
Change in plan assets				
Fair value of plan assets at beginning of year	$ 575.8	$ 472.7	$	$
Actual return on plan assets	54.6	89.1		
Acquisitions/Divestitures		7.4		
Employer contributions	26.5	30.0		
Plan participants contributions	0.7	0.7		
Currency impact	(0.9)	5.9		
Settlement loss and other		(0.2)		
Benefits paid	(34.7)	(29.8)		
Fair value of plan assets at end of year	$ 622.0	$ 575.8	$	$
Funded status	$ (100.5)	$ (71.2)	$ (33.0)	$ (39.7)
Amounts recognized in the consolidated balance sheet consist of:				
Prepaid pensions (included in Intangible assets and other)	$ 6.2	$ 17.0	$	$
Accrued benefit liability (short-term and long-term)	(106.7)	(88.2)	(33.0)	(39.7)
Net amount recognized	$ (100.5)	$ (71.2)	$ (33.0)	$ (39.7)
Amounts recognized in Accumulated other comprehensive loss (income) consist of:				

Net actuarial loss (gain)	$ 153.8	$ 115.3	$ 0.8	$ (1.2)
Prior service cost (credit)	1.2	1.5	(9.1)	(2.5)
Net amount recognized	$ 155.0	$ 116.8	$ (8.3)	$ (3.7)

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HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The accumulated benefit obligation for all defined benefit pension plans was $669.6 million and $595.2 million at December 31, 2010 and 2009, respectively. Information with respect to plans with accumulated benefit obligations in excess of plan assets is as follows, (in millions):

	2010	2009
Projected benefit obligation	$ 623.3	$ 73.5
Accumulated benefit obligation	$ 586.1	$ 67.5
Fair value of plan assets	$ 517.4	$ 11.0

The following table sets forth the components of pension and other benefit costs for the years ended December 31, (in millions):

	Pension Benefits			Other Benefits		
	2010	2009	2008	2010	2009	2008
Components of net periodic benefit cost						
Service cost	$ 12.7	$ 12.2	$ 14.6	$ 0.3	$ 0.6	$ 0.2
Interest cost	37.8	36.9	35.8	2.1	1.7	1.7
Expected return on plan assets	(41.7)	(37.2)	(47.5)			
Amortization of prior service cost/(credit)	0.3	0.3	0.4	(0.3)	(0.2)	(0.2)
Amortization of actuarial losses	5.4	7.3	1.3			
Curtailment and settlement losses (gains)	(0.1)	0.1		(0.6)		(1.7)
Net periodic benefit cost	$ 14.4	$ 19.6	$ 4.6	$ 1.5	$ 2.1	$
Changes recognized in other comprehensive loss (income), before tax, (in millions):						
Current year net actuarial (gain)/loss	$ 46.7	$ (14.8)	$ 148.9	$ 2.1	$ (0.3)	$ 0.3
Current year prior service (cost)/credit			0.2	(7.6)	(0.8)	
Amortization of prior service (cost)/credit	(0.3)	(0.3)	(0.4)	0.9	0.2	0.2
Amortization of net actuarial loss	(5.4)	(7.3)	(1.3)			
Currency impact	(3.3)		(1.0)			
Other adjustments	0.5	0.4	0.1			
Total recognized in accumulated other comprehensive (income) loss	38.2	(22.0)	146.5	(4.6)	(0.9)	0.5
Total recognized in net periodic pension cost and other comprehensive loss (income)	$ 52.6	$ (2.4)	$ 151.1	$ (3.1)	$ 1.2	$ 0.5
Amortization expected to be recognized through income during 2011						

Amortization of prior service cost/(credit)	$	0.2	$	(1.0)
Amortization of net loss		8.1		
Total expected to be recognized through income during next fiscal year	$	8.3	$	(1.0)

In addition to the above, certain of the Company s union employees participate in multi-employer defined benefit plans. The total Company cost of these plans was $0.7 million in 2010, $0.8 million in 2009 and $0.9 million in 2008. In 2009, the Company requested a withdrawal calculation related to the closure of a facility. The

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

preliminary net present value calculation of the liability provided by the plan was $0.9 million. This expense was recorded by the Company in 2009 and ultimately paid in early 2010.

The Company also maintains six defined contribution pension plans. The total cost of these plans was $6.5 million in 2010 and $5.9 million in both 2009 and 2008, excluding the employer match for the 401(k) plan. This cost is not included in the above net periodic benefit cost for the defined benefit pension plans.

Assumptions

The following assumptions were used to determine the projected benefit obligations at the measurement date and the net periodic benefit cost for the year:

	Pension Benefits			Other Benefits		
	2010	**2009**	**2008**	**2010**	**2009**	**2008**
Weighted-average assumptions used to determine benefit obligations at December 31,						
Discount rate	5.38%	5.96%	6.46%	5.40%	6.00%	6.50%
Rate of compensation increase	3.56%	3.57%	4.07%	3.50%	3.50%	4.00%
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31,						
Discount rate	5.96%	6.46%	6.41%	6.00%	6.50%	6.50%
Expected return on plan assets	7.50%	8.00%	8.00%	N/A	N/A	N/A
Rate of compensation increase	3.57%	4.07%	4.07%	3.50%	4.00%	4.00%

At the end of each calendar year, the Company determines the appropriate expected return on assets for each plan based upon its strategic asset allocation (see discussion below). In making this determination, the Company utilizes expected returns for each asset class based upon current market conditions and expected risk premiums for each asset class.

The assumed health care cost trend rates used to determine the projected postretirement benefit obligation are as follows:

	Other Benefits		
	2010	**2009**	**2008**
Assumed health care cost trend rates at December 31,			
Health care cost trend assumed for next year	9.0%	8.0%	8.0%
Rate to which the cost trend is assumed to decline	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate trend rate	2017	2015	2015

Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement benefit plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects (in millions):

	One Percentage Point Increase	One Percentage Point Decrease
Effect on total of service and interest cost	$ 0.1	$ (0.1)
Effect on postretirement benefit obligation	$ 1.6	$ (1.5)

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Plan Assets

The Company s combined targeted and actual domestic and foreign pension plan weighted average asset allocation at December 31, 2011, 2010 and 2009 by asset category are as follows:

	Target Allocation	Percentage of Plan Assets	
	2011	2010	2009
Asset Category			
Equity securities	43%	44%	50%
Debt securities & Cash	37%	38%	32%
Alternative Investments	20%	18%	18%
Total	100%	100%	100%

At the end of each year, the Company estimates the expected long-term rate of return on pension plan assets based on the strategic asset allocation for its plans. In making this determination, the Company utilizes expected rates of return for each asset class based upon current market conditions and expected risk premiums for each asset class. The Company has written investment policies and asset allocation guidelines for its domestic and foreign pension plans. In establishing these policies, the Company has considered that its various pension plans are a major retirement vehicle for most plan participants and has acted to discharge its fiduciary responsibilities with regard to the plans solely in the interest of such participants and their beneficiaries. The goal underlying the establishment of the investment policies is to provide that pension assets shall be invested in a prudent manner and so that, together with the expected contributions to the plans, the funds will be sufficient to meet the obligations of the plans as they become due. To achieve this result, the Company conducts a periodic strategic asset allocation study to form a basis for the allocation of pension assets between various asset categories. Specific policy benchmark percentages are assigned to each asset category with minimum and maximum ranges established for each. The assets are then tactically managed within these ranges. Equity securities include investments in large-cap, mid-cap and small-cap companies located inside and outside the United States. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-backed securities and US Treasuries. Derivative investments include futures contracts used by the plan to adjust the level of its investments within an asset allocation category. All futures contracts are 100% supported by cash or cash equivalent investments. At no time may derivatives be utilized to leverage the asset portfolio.

Equity securities include Company common stock in the amounts of $20.0 million (3.7% of total domestic plan assets) and $15.9 million (3.2% of total domestic plan assets) at December 31, 2010 and 2009, respectively.

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HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The fair value of the Company s pension plan assets at December 31, 2010 and 2009, by asset category are as follows (in millions):

Asset Category	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Quoted Prices in Active Market for Similar Asset (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and cash equivalents	$ 25.2	$ 25.2	$	$
Equity securities:				
US Large-cap[(a)]	109.1	109.1		
US Mid-cap and Small-cap Growth[(b)]	19.1	19.1		
International Large-cap	62.7	62.7		
Emerging Markets	43.9	43.9		
Fixed Income Securities:				
US Treasuries	60.3	60.3		
Corporate Bonds[(c)]	91.7	91.7		
Asset Backed Securities and Other	7.2	7.2		
Derivatives:				
Equity Futures[(d)]	51.6		51.6	
Fixed Income Futures	0.3		0.3	
Alternative Investment Funds	104.7			104.7
Balance at December 31, 2009	**$ 575.8**	**$ 419.2**	**$ 51.9**	**$ 104.7**

	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Quoted Prices in Active Market for Similar Asset (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and cash equivalents	$ 56.0	$ 56.0	$	$
Equity securities:				
US Large-cap[(a)]	144.9	144.9		
US Mid-cap and Small-cap Growth[(b)]	24.1	24.1		

International Large-cap		37.1		37.1				
Emerging Markets		39.8		39.8				
Fixed Income Securities:								
US Treasuries		56.2		56.2				
Corporate Bonds[c]		75.9		75.9				
Asset Backed Securities and Other		47.1		47.1				
Derivatives:								
Equity Futures[d]		30.2				30.2		
Alternative Investment Funds		110.7						110.7
Balance at December 31, 2010	**$**	**622.0**	**$**	**481.1**	**$**	**30.2**	**$**	**110.7**

(a) Includes an actively managed portfolio of large-cap US stocks

(b) Includes $20.0 million and $15.9 million of the Company s common stock at December 31, 2010 and 2009, respectively, and an investment in actively managed mid-cap and small-cap US stocks

(c) Includes primarily investment grade bonds of US issuers from diverse industries

(d) Includes primarily large-cap US and foreign equity futures

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HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The fair value of the Company s pension plan assets measured using significant unobservable inputs (Level 3) at December 31, 2010, by asset category are as follows (in millions):

	Institutional Fund of Hedge Funds	Distressed Opportunities Fund	Total
Balance at December 31, 2008	$ 77.2	$ 3.9	$ 81.1
Actual return on plan assets:			
Relating to assets still held at the reporting date	10.4	0.5	10.9
Relating to assets sold during the period			
Purchases, sales and settlements, net	11.3	1.4	12.7
Transfers in and/or out of Level 3			
Balance at December 31, 2009	$ 98.9	$ 5.8	$ 104.7
Actual return on plan assets:			
Relating to assets still held at the reporting date	4.4	1.3	5.7
Relating to assets sold during the period			
Purchases, sales and settlements, net		0.3	0.3
Transfers in and/or out of Level 3			
Balance at December 31, 2010	$ 103.3	$ 7.4	$ 110.7

All of the alternative investments held by the Company s pension plans consist of fund of fund products, the largest being an institutional fund of hedge funds (IFHF). The IFHF invests in investment funds managed by a diversified group of third-party investment managers who employ a variety of alternative investment strategies, including relative value, security selection, specialized credit and directional strategies. The objective of the IFHF is to achieve the desired capital appreciation with lower volatility than either traditional equity or fixed income markets. The plan also has a small investment in a distressed opportunity fund. This fund of funds product invests in distressed strategies including turnarounds, debt-for-control and active trading.

The Company s other postretirement benefits are unfunded; therefore, no asset information is reported.

Contributions

Although not required under the Pension Protection Act of 2006, the Company may decide to make a voluntary contribution to its qualified domestic defined benefit pension plans in 2011. The Company expects to contribute approximately $3.5 million to its foreign plans in 2011.

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HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Estimated Future Benefit Payments

The following domestic and foreign benefit payments, which reflect future service, as appropriate, are expected to be paid as follows, (in millions):

	Pension Benefits	Other Benefits Gross	Medicare Part D Subsidy	Net
2011	$ 31.7	$ 3.0	$ 0.2	$ 2.8
2012	$ 33.3	$ 3.0	$ 0.2	$ 2.8
2013	$ 36.2	$ 3.0	$ 0.2	$ 2.8
2014	$ 38.1	$ 2.9	$ 0.2	$ 2.7
2015	$ 40.1	$ 2.8	$ 0.2	$ 2.6
2016-2020	$ 233.1	$ 12.5	$ 0.8	$ 11.7

Note 11 Debt

The following table sets forth the components of the Company s debt structure at December 31, (in millions):

	2010			2009		
	Short-Term Debt	Senior Notes (Long-Term)	Total	Short-Term Debt	Senior Notes (Long-Term)	Total
Balance at year end	$ 1.8	$ 595.9	$ 597.7	$	$ 497.2	$ 497.2
Highest aggregate month-end balance			$ 715.7			$ 563.5
Average borrowings	$ 2.3	$ 525.8	$ 528.1	$ 5.5	$ 496.8	$ 502.3
Weighted average interest rate:						
At year end	14.12%	4.79%	4.82%		6.12%	6.12%
Paid during the year	17.00%	5.51%	5.56%	0.26%	6.12%	5.85%

The Company s short-term debt consisted of a 4.0 million Brazilian Real line of credit with HSBC Bank which is used to fund its Brazilian operations. At December 31, 2010, 3.0 million Brazilian Real are outstanding (equivalent to $1.8 million). This line of credit expires in March 2011 and is not subject to any annual commitment fees. The interest rate on the debt reflects the prevailing interest rate for short-term borrowings in Brazil.

At December 31, 2010 and 2009, the Company had $595.9 million and $497.2 million, respectively, of senior notes reflected as Long-term debt in the Consolidated Balance Sheet. Interest and fees paid related to total indebtedness was $28.4 million, $29.8 million and $24.5 million in 2010, 2009 and 2008, respectively.

In November 2010, the Company completed a public debt offering for $300 million of long-term, senior, unsecured notes maturing in November 2022 and bearing interest at a fixed rate of 3.625%. The Company received $294.8 in proceeds from the offering, net of discounts and debt issuance costs. The discount and issuance costs were deferred and are being amortized to interest expense over the term of the 2022 Notes. Interest on the 2022 Notes will be paid semi-annually in May and November, commencing in May 2011. In connection with the issuance of the 2022 Notes, the Company entered into a forward starting swap to hedge its exposure to fluctuations in treasury rates, which resulted in a loss of $1.6 million during the fourth quarter of 2010 when the Company closed out this position. This amount has been recorded, net of tax, in accumulated other comprehensive loss and will be amortized to interest expense over the life of the 2022 Notes.

Simultaneous with the November 2010 debt offering, the Company also announced the cash tender offer for any and all of its $200 million (6.375%) senior notes that were scheduled to mature in May 2012. Upon expiration of

HUBBELL INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

the tender offer, $81.9 million of the aggregate outstanding principal amount of the 2012 Notes were validly tendered and accepted. Subsequent to the expiration of the tender offer, the Company elected to redeem the remaining outstanding principal of $118.1 million under the provisions of the 2012 Notes. The loss on this transaction (recorded as part of the Loss on extinguishment of debt in the Consolidated Statement of Income), including the make whole premium paid, expenses and the write-off of the remaining deferred issuance costs associated with the 2012 Notes, was approximately $17.3 million. The net cash proceeds remaining from the 2022 Note issuance, subsequent to the tender/redemption of the 2012 Notes, were used for general corporate purposes.

In conjunction with the early extinguishment of the 2012 Notes, the Company terminated its interest rate swap associated with these notes. This interest rate swap was accounted for as a fair value hedge and was used to convert the stated interest rate of the 2012 Notes from fixed to floating. At the time of termination, this interest rate swap was in-the-money and resulted in a gain of $2.6 million. This gain was recorded as part of the Loss on extinguishment of debt in the Consolidated Statement of Income.

In May 2008, the Company completed a public offering of $300 million long-term senior, unsecured notes maturing in May 2018. The 2018 Notes bear interest at a fixed rate of 5.95%. Prior to the issuance of the 2018 Notes, the Company entered into a forward interest rate lock which resulted in a $1.2 million gain. This amount was recorded in Accumulated other comprehensive loss, net of tax, and is being amortized over the life of the notes.

The 2018 Notes and the 2022 Notes are both fixed rate indebtedness, are callable at any time with a make whole premium and are only subject to accelerated payment prior to maturity in the event of a default under the indenture governing the terms of the 2018 Notes and 2022 Notes, as modified by the supplemental indentures creating each such series, or upon a change of control event as defined in such indenture.

In March 2008, the Company exercised its option to expand its credit facility by $100 million, bringing the total credit facility to $350 million. The expiration date of the 2007 Credit Agreement is October 31, 2012. The interest rate applicable to borrowings under the credit agreement is either the prime rate or a surcharge over LIBOR. The covenants of the facility require that Hubbell shareholders equity be greater than $675 million and that total debt not exceed 55% of total capitalization (defined as total debt plus Hubbell shareholders equity). The Company was in compliance with all debt covenants at December 31, 2010 and 2009. Annual commitment fee requirements to support availability of the credit facility were not material. This facility is used as a backup to our commercial paper program and was undrawn as of December 31, 2010.

In September 2009, the Company entered into a line of credit agreement with Credit Suisse for approximately 30 million Swiss francs (equivalent to $31.6 million) to support the issuance of letters of credit. The availability of credit under this facility is dependent upon the maintenance of compensating balances, which may be withdrawn. There are no annual commitment fees associated with this credit facility. The Company also maintains a 2.1 million pound sterling credit facility (equivalent to $3.2 million) with HSBC Bank in the UK which is set for renewal on November 30, 2011. There are no annual commitment fees associated with this credit agreement which was undrawn as of December 31, 2010.

In addition to the above credit commitments, the Company has an unsecured line of credit for $35 million with Bank of America, N.A. to support issuance of its letters of credit. At December 31, 2010, the Company had approximately $22.8 million of letters of credit outstanding under this facility.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 12 Income Taxes

The following table sets forth selected data with respect to the Company s income tax provisions for the years ended December 31, (in millions):

	2010	2009	2008
Income before income taxes:			
United States	$ 224.5	$ 183.1	$ 213.6
International	95.9	78.5	104.8
Total	$ 320.4	$ 261.6	$ 318.4
Provision for income taxes current:			
Federal	$ 47.5	$ 25.3	$ 64.1
State	7.8	7.2	11.0
International	21.3	15.5	19.4
Total provision-current	76.6	48.0	94.5
Provision for income taxes deferred:			
Federal	$ 24.3	$ 29.5	$ 8.5
State	1.5	(0.2)	(10.6)
International	(0.8)	3.0	2.8
Total provision deferred	25.0	32.3	0.7
Total provision for income taxes	$ 101.6	$ 80.3	$ 95.2

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Deferred tax assets and liabilities result from differences in the basis of assets and liabilities for tax and financial statement purposes. The components of the deferred tax assets/(liabilities) at December 31, were as follows (in millions):

	2010	2009
Deferred tax assets:		
Inventory	$ 8.0	$ 6.4
Income tax credits	18.8	16.6
Accrued liabilities	13.8	17.4
Pension	35.7	34.4
Postretirement and post employment benefits	18.8	11.2
Stock-based compensation	11.3	10.2
Net operating loss carryforwards	75.9	86.6
Miscellaneous other	1.4	0.8
Gross deferred tax assets	183.7	183.6
Valuation allowance	(2.6)	(2.2)
Total net deferred tax assets	$ 181.1	$ 181.4
Deferred tax liabilities:		
Acquisition basis difference	115.7	107.4
Property, plant, and equipment	27.7	29.5
Total deferred tax liabilities	$ 143.4	$ 136.9
Total net deferred tax asset	$ 37.7	$ 44.5
Deferred taxes are reflected in the Consolidated Balance Sheet as follows:		
Current tax assets (included in Deferred taxes and other)	$ 24.7	$ 46.7
Non-current tax assets (included in Intangible assets and other)	34.2	19.3
Non-current tax liabilities (included in Other Non-current liabilities)	(21.2)	(21.5)
Total net deferred tax asset	$ 37.7	$ 44.5

During 2010, the Company determined that the December 31, 2009 deferred tax assets and deferred tax liabilities related to the Burndy acquisition were misclassified, primarily as a result of improperly applying the jurisdictional netting rule of the income taxes accounting guidance. As a result, the Company revised the December 31, 2009 balance sheet by decreasing current deferred tax assets by $17.1 million, decreasing non-current deferred tax assets by $44.6 million and by decreasing its non-current deferred tax liability by $61.7 million. In 2010, the Company also finalized the tax attributes associated with the Burndy acquisition and as a result recorded an additional $19.5 million of deferred tax assets. Both of these revisions have been reflected in the December 31, 2009 data presented in the table above.

As of December 31, 2010, the Company had a total of $18.8 million of Federal and State tax credit carryforwards, net of Federal benefit (including credit carryforwards of $3.3 million related to the Burndy acquisition) available to offset future income taxes, of which $0.8 million may be carried forward indefinitely while the remaining $18.0 million will begin to expire at various times beginning in 2011 through 2026. The Company has recorded a net valuation allowance of $2.6 million for the portion of the tax credit carryforwards the Company anticipates will expire prior to utilization. Additionally, as of December 31, 2010, the Company had recorded tax benefits totaling $75.9 million (including $74.7 million related to the Burndy acquisition) for Federal and State net operating loss carryforwards (NOLs). The tax benefit related to these NOLs has been adjusted to

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

reflect an ownership change pursuant to Internal Revenue Code Section 382, which imposes an annual limitation on the utilization of pre-acquisition operating losses. The Company expects to fully utilize the adjusted NOLs prior to their expiration.

At December 31, 2010, income and withholding taxes have not been provided on approximately $381.0 million of undistributed international earnings that are permanently reinvested in international operations. If such earnings were not indefinitely reinvested, a tax liability of approximately $68.7 million would be recognized.

Cash payments of income taxes were $74.0 million, $53.4 million and $68.8 million in 2010, 2009 and 2008, respectively.

The Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. The IRS and other tax authorities routinely audit the Company s tax returns. These audits can involve complex issues which may require an extended period of time to resolve. During 2010, the IRS concluded an audit of the Company s 2006 and 2007 federal income tax returns; however, the statue of limitations has not yet expired for these years. As a result of this audit, the Company recorded an additional $2.2 million of income tax expense during the third quarter of 2010. A cash payment of $12.7 million related to this audit was made in October 2010. With few exceptions, the Company is no longer subject to state, local, or non-U.S. income tax examinations by tax authorities for years prior to 2003.

The following tax years, by major jurisdiction, are still subject to examination by taxing authorities:

Jurisdiction	**Open Years**
United States	2006-2010
Canada	2007-2010
UK	2008-2010

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in millions):

	2010	**2009**	**2008**
Unrecognized tax benefits at beginning of year	$ 30.6	$ 17.3	$ 8.7
Additions based on tax positions relating to the current year	2.5	3.0	4.5
Reductions based on expiration of statute of limitations	(0.7)	(1.4)	(0.4)
Additions to tax positions relating to previous years	1.0	11.8	4.7
Settlements	(8.2)	(0.1)	(0.2)
Total unrecognized tax benefits	$ 25.2	$ 30.6	$ 17.3

Included in the balance at December 31, 2010 are $13.6 million of tax positions which, if in the future are determined to be recognizable, would affect the annual effective income tax rate. Additionally, there are $0.9 million of tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty as to the timing of such deductibility. Because of the impact of deferred tax accounting, other than interest and penalties, the disallowance of the shorter deductibility period would not affect the annual effective tax rate but would accelerate the payment of cash to the applicable taxing authority to an earlier period.

The Company s policy is to record interest and penalties associated with the underpayment of income taxes within Provision for income taxes in the Consolidated Statement of Income. The Company recognized approximately $1.0 million in 2010 and $0.8 million of expense before federal tax benefit in both 2009 and 2008 related to interest and penalties. The Company had $1.5 million and $2.6 million accrued for the payment of interest and penalties as of December 31, 2010 and December 31, 2009, respectively.

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The consolidated effective income tax rate varied from the United States federal statutory income tax rate for the years ended December 31, as follows:

	2010	2009	2008
Federal statutory income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	1.7	2.0	2.7
Foreign income taxes	(4.2)	(3.1)	(3.9)
State tax credits/refunds and loss carryforwards	(0.4)	(0.1)	(2.0)
Out of period adjustment		(1.9)	
Other, net	(0.4)	(1.2)	(1.9)
Consolidated effective income tax rate	31.7%	30.7%	29.9%

During the year ended December 31, 2009, the Company recorded an immaterial out-of-period adjustment, predominately arising in years prior to 1999 related to certain deferred tax accounts, which decreased the provision for income tax by $4.9 million. The Company concluded that the adjustment was not material to prior periods and the cumulative effect was not material to the results for the year ended December 31, 2009.

Note 13 Financial Instruments

Concentrations of Credit Risk: Financial instruments which potentially subject the Company to concentrations of credit risk consist of trade receivables, cash and cash equivalents and short-term investments. The Company grants credit terms in the normal course of business to its customers. Due to the diversity of its product lines, the Company has an extensive customer base including electrical distributors and wholesalers, electric utilities, equipment manufacturers, electrical contractors, telecommunication companies and retail and hardware outlets. No single customer accounted for more than 10% of total sales in any year during the three years ended December 31, 2010. However, the Company s top 10 customers accounted for approximately 31% of the accounts receivable balance at December 31, 2010. As part of its ongoing procedures, the Company monitors the credit worthiness of its customers. Bad debt write-offs have historically been minimal. The Company places its cash and cash equivalents with financial institutions and limits the amount of exposure to any one institution.

Fair Value: The carrying amounts reported in the Consolidated Balance Sheet for cash and cash equivalents, short-term investments, receivables, bank borrowings, accounts payable and accruals approximate their fair values given the immediate or short-term nature of these items. See also Note 6 Investments and Note 14 Fair Value Measurement.

The fair value of the senior notes classified as long-term debt was determined by reference to quoted market prices and approximated $619.7 million and $539.6 million at December 31, 2010 and 2009, respectively.

Note 14 Fair Value Measurement

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The FASB fair value measurement guidance established a fair value hierarchy that prioritizes the inputs used to measure fair value. The three broad levels of the fair value hierarchy are as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly
Level 3	Unobservable inputs for which little or no market data exists, therefore requiring a company to develop its own assumptions

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table shows, by level within the fair value hierarchy, our financial assets and liabilities that are accounted for at fair value on a recurring basis at December 31, 2010 and 2009 (in millions):

Asset (Liability)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Quoted Prices in Active Markets for Similar Assets (Level 2)**	**Total**
December 31, 2010			
Available for sale investments	$ 36.4	$	$ 36.4
Trading securities	2.6		2.6
Deferred compensation plan liabilities	(2.5)		(2.5)
Derivatives:			
Forward exchange contracts		(0.6)	(0.6)
	$ 36.5	$ (0.6)	$ 35.9

Asset (Liability)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Quoted Prices in Active Markets for Similar Assets (Level 2)**	**Total**
December 31, 2009			
Available for sale investments	$ 25.9	$	$ 25.9
Trading securities	2.2		2.2
Deferred compensation plan liabilities	(1.6)		(1.6)
Derivatives:			
Forward exchange contracts		(1.1)	(1.1)
Interest rate swap		(0.5)	(0.5)
	$ 26.5	$ (1.6)	$ 24.9

The methods and assumptions used to estimate the Level 2 fair values were as follows:

Forward exchange contracts The fair value of forward exchange contracts were based on quoted forward foreign exchange prices at the reporting date.

Interest rate swap   The fair value of interest rate swap agreements were estimated based on the LIBOR yield curves at the reporting date.

During 2010 and 2009, there were no transfers of financial assets or liabilities in or out of Level 1 or Level 2 of the fair value hierarchy. At December 31, 2010 and December 31, 2009, the Company did not have any financial assets or liabilities that fell within the Level 3 hierarchy.

Investments

At December 31, 2010 and December 31, 2009, the Company had $36.4 million and $25.9 million, respectively, of municipal bonds classified as available-for-sale securities. The Company also had $2.6 million and $2.2 million of trading securities at December 31, 2010 and December 31, 2009, respectively. These investments are carried on the balance sheet at fair value. Unrealized gains and losses associated with available-for-sale securities are reflected in Accumulated other comprehensive loss, net of tax, while unrealized gains and losses associated with trading securities are reflected in the results of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Deferred compensation plan

The Company offers certain employees the opportunity to participate in a non-qualified deferred compensation plan. A participant s deferrals are invested in a variety of participant-directed debt and equity mutual funds that are classified as trading securities. The unrealized gains and losses associated with these trading securities are directly offset by the changes in the fair value of the underlying deferred compensation plan obligation.

Derivatives

In order to limit financial risk in the management of its assets, liabilities and debt, the Company may use derivative financial instruments such as foreign currency hedges, commodity hedges, interest rate hedges and interest rate swaps. All derivative financial instruments are matched with an existing Company asset, liability or proposed transaction. Market value gains or losses on the derivative financial instrument are recognized in income when the effects of the related price changes of the underlying asset or liability are recognized in income.

The fair values of derivative instruments in the Consolidated Balance Sheet are as follows (in millions):

		Asset/(Liability) Derivatives	
		Fair Value	
Derivatives designated as hedges	**Balance Sheet Location**	**December 31, 2010**	**December 31, 2009**
Forward exchange contracts designated as cash flow hedges	Other accrued liabilities	$ (0.6)	$ (1.1)
Interest rate swap designated as a fair value hedge	Other non-current liabilities		(0.5)
		$ (0.6)	$ (1.6)

Forward exchange contracts

In 2010 and 2009, the Company entered into a series of forward exchange contracts to purchase U.S. dollars in order to hedge its exposure to fluctuating rates of exchange on anticipated inventory purchases. As of December 31, 2010, the Company has 18 individual forward exchange contracts at $1.0 million, which have various expiration dates through December 2011. These contracts have been designated as cash flow hedges in accordance with the accounting guidance for derivatives.

Interest Rate Locks

Prior to the 2010 and 2008 issuance of long-term notes, the Company entered into forward interest rate locks to hedge its exposure to fluctuations in treasury rates. The 2010 interest rate lock resulted in a $1.6 million loss while the 2008 interest rate lock resulted in a $1.2 million gain. These amounts were recorded in Accumulated other comprehensive loss, net of tax, and are being amortized over the life of the respective notes. The amortization associated with these interest rate locks is reflected in Interest expense in the Consolidated Statement of Income. As of December 31, 2010 there was $0.5 million of net unamortized losses reflected in Accumulated other comprehensive loss.

Additionally, upon extinguishment of the 2012 Notes, the Company had $0.2 million of unamortized losses related to an interest rate lock that had been entered into prior to the notes issuance in 2002. This amount was written off to Interest expense in the Consolidated Statement of Income. As of December 31, 2009, the Company had $0.4 million of net unamortized gains reflected in Accumulated other comprehensive loss related to the 2012 and 2018 Notes.

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The following table summarizes the amounts recognized in Accumulated other comprehensive related to these forward exchange contracts and interest rate locks (in millions):

Loss Recognized in Accumulated Other Comprehensive Loss (net of tax)	December 31, 2010	December 31, 2009
Forward exchange contracts	$ (0.6)	$ (1.8)
Interest rate locks	(1.0)	

The following table summarizes the gains/(losses) reclassified from Accumulated other comprehensive loss into income related to these forward exchange contracts and interest rate locks for the years ended December 31, (in millions):

Location of Gain/(Loss) Reclassified into Income (Effective Portion)	2010	2009	2008
Cost of goods sold	$ (1.4)	$ 0.4	$ 0.9
Interest expense	(0.2)	(0.1)	(0.1)

There was no hedge ineffectiveness with respect to the forward exchange cash flow hedges during 2010, 2009 and 2008.

Interest Rate Swaps

In May 2009, the Company entered into a three year interest rate swap for an aggregate notional amount of $200 million to manage its exposure to changes in the fair value of its 2012 Notes. In conjunction with the early extinguishment of these notes, the Company terminated its interest rate swap associated with these notes. This interest rate swap was accounted for as a fair value hedge and was used to convert the stated interest rate of the 2012 Notes from floating to fixed. At the time of termination, this interest rate swap was in-the-money and resulted in a gain of $2.6 million. This gain was recorded as part of the Loss on extinguishment of debt in the Consolidated Statement of Income. Prior to its termination, the interest rate swap reduced interest expense by $2.2 million in 2010.

Long-term Debt

The total carrying value of long-term debt as of December 31, 2010 was $595.9 million, net of unamortized discount. As of December 31, 2010, the estimated fair value of the long-term debt was $619.7 million based on quoted market prices.

Note 15 Commitments and Contingencies

Environmental and Legal

The Company is subject to environmental laws and regulations which may require that it investigate and remediate the effects of potential contamination associated with past and present operations. The Company is also subject to various legal proceedings and claims, including those relating to patent matters, as well as workers compensation, product liability and environmental matters, including past production of product containing toxic substances, which have arisen in the normal course of its operations or have been acquired through business combinations. The Company is self-insured for certain of these incidents at various amounts. Estimates of future liability with respect to such matters are based on an evaluation of currently available facts. Liabilities are recorded when it is probable that costs will be incurred and can be reasonably estimated. Given the nature of matters involved, it is possible that liabilities will be incurred in excess of amounts currently recorded. However, based upon available information, including the Company s past experience, insurance coverage and reserves, management believes that the ultimate liability with respect to these matters will not have a material effect on the consolidated financial position, results of operations or cash flows of the Company.

The Company accounts for conditional asset retirement and environmental obligations in accordance with the applicable accounting guidance. The accounting guidance defines conditional asset retirement obligation as a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the Company. Accordingly, an entity is

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required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. The Company identified other legal obligations related to environmental clean up for which a settlement date could not be determined. These items were not material to the Company s results of operations, financial position or cash flows as of, December 31, 2010, 2009 and 2008. The Company continues to monitor and revalue its liability as necessary and, as of December 31, 2010 the liability continues to be immaterial.

Leases

Total rental expense under operating leases was $22.3 million in 2010, $22.2 million in 2009 and $22.4 million in 2008. The minimum annual rentals on non-cancelable, long-term, operating leases in effect at December 31, 2010 are expected to approximate $13.5 million in 2011, $10.4 million in 2012, $8.9 million in 2013, $6.5 million in 2014, $5.1 million in 2015 and $21.2 million thereafter. The Company s leases consist of operating leases primarily for buildings or equipment. The terms for building leases typically range from 5-25 years with 5-10 year renewal periods.

Note 16 Capital Stock

Activity in the Company s common shares outstanding is set forth below for the three years ended December 31, 2010 (in thousands):

	Common Stock	
	Class A	**Class B**
Outstanding at December 31, 2007	7,378	50,550
Exercise of stock options		258
Shares issued under director compensation arrangements		2
Restricted shares issued, net of forfeitures		175
Acquisition/surrender of shares	(213)	(1,883)
Outstanding at December 31, 2008	7,165	49,102
Shares issued as part of equity offering		2,990
Exercise of stock options/stock appreciation rights		194
Shares issued under director compensation arrangements	2	155
Restricted shares issued, net of forfeitures		87
Acquisition/surrender of shares		(35)
Outstanding at December 31, 2009	7,167	52,493
Exercise of stock options/stock appreciation rights		1,351
Restricted/performance shares issued, net of forfeitures		143
Acquisition/surrender of shares		(458)

Outstanding at December 31, 2010	7,167	53,529

Repurchased shares are retired when acquired and the purchase price is charged against par value and additional paid-in capital. Shares may be repurchased through the Company s stock repurchase program, acquired by the Company from employees under the Hubbell Incorporated Stock Option Plan for Key Employees (the Option Plan) or surrendered to the Company by employees in settlement of their tax liability on vesting of restricted shares and performance shares under the Hubbell Incorporated 2005 Incentive Award Plan, (the Award

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Plan). Class A Common shares have twenty votes per share, while Class B Common shares have one vote per share. In addition, the Company has 5.9 million authorized shares of preferred stock; no preferred shares are outstanding.

The Company has an amended and restated Rights Agreement under which holders of Class A Common Stock have Class A Rights and holders of Class B Common Stock have Class B Rights (collectively, Rights). These Rights become exercisable after a specified period of time only if a person or group of affiliated persons acquires beneficial ownership of 20 percent or more of the outstanding Class A Common Stock of the Company or announces or commences a tender or exchange offer that would result in the offeror acquiring beneficial ownership of 20 percent or more of the outstanding Class A Common Stock of the Company. Each Class A Right entitles the holder to purchase from the Company one one-thousandth of a share of Series A Junior Participating Preferred Stock (Series A Preferred Stock), without par value, at a price of $175.00 per one one-thousandth of a share. Similarly, each Class B Right entitles the holder to purchase one one-thousandth of a share of Series B Junior Participating Preferred Stock (Series B Preferred Stock), without par value, at a price of $175.00 per one one-thousandth of a share. The Rights may be redeemed by the Company for one cent per Right prior to the day a person or group of affiliated persons acquires 20 percent or more of the outstanding Class A Common Stock of the Company. The Rights will expire in December 31, 2018 (the Final Expiration Date), unless the Final Expiration Date is advanced or extended or unless the Rights are earlier redeemed or exchanged by the Company.

Shares of Series A Preferred Stock or Series B Preferred Stock purchasable upon exercise of the Rights will not be redeemable. Each share of Series A Preferred Stock or Series B Preferred Stock will be entitled, when, as and if declared, to a minimum preferential quarterly dividend payment of $10.00 per share but will be entitled to an aggregate dividend of 1,000 times the dividend declared per share of Common Stock. In the event of liquidation, the holders of the Series A Preferred Stock or Series B Preferred Stock will be entitled to a minimum preferential liquidation payment of $100 per share (plus any accrued but unpaid dividends) but will be entitled to an aggregate payment of 1,000 times the payment made per share of Class A Common Stock or Class B Common Stock, respectively. Each share of Series A Preferred Stock will have 20,000 votes and each share of Series B Preferred Stock will have 1,000 votes, voting together with the Common Stock. Finally, in the event of any merger, consolidation, transfer of assets or earning power or other transaction in which shares of Common Stock are converted or exchanged, each share of Series A Preferred Stock or Series B Preferred Stock will be entitled to receive 1,000 times the amount received per share of Common Stock. These rights are protected by customary antidilution provisions.

Upon the occurrence of certain events or transactions specified in the Rights Agreement, each holder of a Right will have the right to receive, upon exercise, that number of shares of the Company s common stock or the acquiring company s shares having a market value equal to twice the exercise price.

Shares of the Company s common stock were reserved at December 31, 2010 as follows (in thousands):

	Common Stock		Preferred
	Class A	Class B	Stock
Exercise of outstanding stock options		1,178	
Future grant of stock-based compensation		3,253	

Exercise of stock purchase rights		61
Shares reserved under other equity compensation plans	140	
Total	4,571	61

Note 17 Stock-Based Compensation

As of December 31, 2010, the Company had various stock-based awards outstanding which were issued to executives and other key employees. The accounting guidance requires that share-based compensation expense be

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recognized over the period from the grant date to the date on which the award is no longer contingent on the employee providing additional service (the substantive vesting period). The Company recognizes the cost of these awards on a straight-line basis over their respective substantive vesting periods, net of estimated forfeitures.

The Company s long-term incentive program for awarding stock-based compensation uses a combination of restricted stock, stock appreciation rights (SARs), and performance shares of the Company s Class B Common Stock pursuant to the Award Plan. In May 2010, the Company s shareholders approved an amendment and restatement of the Award Plan which increased the total number of shares available for issuance under the Award Plan from 5.9 million to 6.9 million shares of Class B Common Stock. These shares are to be used for the settlement of restricted stock, performance shares, and SARs. The Company issues new shares for settlement of any stock-based awards. In 2010, the Company issued stock-based awards using a combination of restricted stock, SARs and performance shares.

In 2010, 2009 and 2008, the Company recorded $11.4 million, $10.3 million, and $12.5 million of stock-based compensation costs, respectively. Of the total 2010 expense, $10.9 million was recorded to S&A expense and $0.5 million was recorded to Cost of goods sold. In 2009 and 2008, $9.8 million and $12.1 million, respectively, was recorded to S&A expense and $0.5 million and $0.4 million, respectively was recorded to Cost of goods sold. Stock-based compensation costs capitalized to inventory were $0.1 million in 2010, 2009 and 2008. The Company recorded income tax benefits of approximately $4.3 million, $3.9 million and $4.7 million in 2010, 2009 and 2008, respectively, related to stock-based compensation. At December 31, 2010, these benefits are recorded as either a deferred tax asset in Deferred taxes and other or in Other accrued liabilities in the Consolidated Balance Sheet. As of December 31, 2010, there was $18.4 million, pretax, of total unrecognized compensation cost related to non-vested share-based compensation arrangements. This cost is expected to be recognized through 2013.

Each of the compensation arrangements is discussed below.

Restricted Stock

Stock Issued to Employees

Restricted stock granted is not transferable and is subject to forfeiture in the event of the recipient s termination of employment prior to vesting. The restricted stock generally vests in one-third increments annually for three years on each anniversary of the date of grant or completely upon a change in control or termination of employment by reason of death or disability. Restricted stock awards are considered outstanding at the time of grant, as the award holders are entitled to dividends and voting rights. Unvested restricted stock awards are considered participating securities in computing earnings per share. The restricted stock fair values are measured using the average between the high and low trading prices of the Company s Class B Common Stock on the most recent trading day immediately preceding the grant date (measurement date).

Stock Issued to Non-employee Directors

In 2010, 2009 and 2008, each non-employee director received a grant of Class B Common Stock. These grants were made on the date of the annual meeting of shareholders and vested or will vest at the following year s annual meeting of shareholders, upon a change of control or termination of employment by reason of death. These shares will be subject to forfeiture if the director s service terminates prior to the date of the next regularly scheduled annual meeting of shareholders to be held in the following calendar year. During the years 2010, 2009 and 2008, the Company issued to non-employee directors 15,750 shares, 6,000 shares and 6,750 shares, respectively.

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Activity related to both employee and non-employee restricted stock for the year ended December 31, 2010 is as follows (in thousands, except per share amounts):

	Shares		Weighted Average Value/Share
Restricted stock at December 31, 2009	249	$	39.82
Shares granted	108		58.18
Shares vested	(122)		40.39
Shares forfeited	(5)		39.77
Restricted stock at December 31, 2010	230	$	43.25

The weighted average fair value per share of restricted stock granted during the years 2010, 2009 and 2008 was $58.18, $46.23 and $29.92, respectively. The total fair value of restricted stock vested during the years 2010, 2009 and 2008 was $7.2 million, $5.3 million and $3.1 million, respectively.

Stock Appreciation Rights

SARs granted entitle the recipient to the difference between the fair market value of the Company s Class B Common Stock on the date of exercise and the grant price as determined using the average between the high and the low trading prices of the Company s Class B Common Stock on the measurement date. This amount is payable in shares of the Company s Class B Common Stock. SARs vest and become exercisable in three equal installments during the first three years following their grant date and expire ten years from the grant date.

Activity related to SARs for the year ended December 31, 2010 is as follows (in thousands, except exercise amounts):

	Number of Rights		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2009	2,322	$	44.27		
Granted	332		59.95		
Exercised	(141)		38.90		
Forfeited	(20)		39.44		
Canceled	(20)		52.51		

Outstanding at December 31, 2010	2,473	$	46.65	7.4 years	$	33,332
Exercisable at December 31, 2010	1,658	$	46.48	6.6 years	$	22,632

The aggregated intrinsic value of SARs exercised during 2010 and 2009 was $2.8 million and $0.2 million, respectively. There were no SARs exercised during 2008.

The fair value of the SARs was measured using the Black-Scholes option pricing model. The following table summarizes the related assumptions used to determine the fair value of the SARs granted during the periods ended December 31, 2010, 2009 and 2008. Expected volatilities are based on historical volatilities of the Company s stock and other factors. The expected term of SARs granted is based upon historical trends of stock option and SARs

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behavior as well as future projections. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for the expected term of award.

	Dividend Yield	Expected Volatility	Risk Free Interest Rate	Expected Term	Weighted Avg. Grant Date Fair Value of 1 SAR
2010	2.7%	28.0%	1.9%	6 Years	$ 12.79
2009	3.2%	26.5%	3.0%	7 Years	$ 9.83
2008	3.3%	26.7%	3.2%	7 Years	$ 6.27

Performance Shares

Performance shares represent the right to receive a share of the Company s Class B Common Stock after a three year vesting period subject to the achievement of certain performance criteria established by the Company s Compensation Committee.

In December 2010, 2009 and 2008, the Company granted 31,671, 34,592, and 54,494 performance shares, respectively. The grants performance conditions are subject to the achievement of certain market-based criteria. Performance at target will result in vesting and issuance of the number of performance shares granted, equal to 100% payout. Performance below or above target can result in issuance in the range of 0%-200% of the number of shares granted.

In December 2007, the Company granted 30,292 performance shares, with both performance and market-based criteria. The performance period related to the December 2007 grant was from January 1, 2008 through December 31, 2010. There were 26,740 of these shares, net of forfeitures, outstanding as of December 31, 2010. In February 2011, the Company paid out 31,548 shares related to this grant. This payout is based upon achieving 66% and 170% of the performance and market-based criteria, respectively.

In February 2010, the Company issued 41,123 shares related to its February 2007 performance award grant. The performance period related to this grant was from January 1, 2007 through December 31, 2009. This payout was based upon achieving 82% and 183% of the performance and market-based criteria, respectively. The fair value of the February 2007 performance award at vesting was $1.8 million. There were no performance share awards that vested in 2009 and 2008.

The fair value of the market-based criteria for the December 2010, 2009 and 2008 performance share awards was determined based upon a lattice model. The following table summarizes the related assumptions used to determine the fair values of the performance shares with respect to the market-based criteria. Expected volatilities are based on historical volatilities of the Company s stock over a three year period. The risk free interest rate is based on the U.S. Treasury yield curve in effect at the time of the grant for the expected term of award.

	Stock Price on Measurement Date	Dividend Yield	Expected Volatility	Risk Free Interest Rate	Expected Term	Weighted Avg. Grant Date Fair Value
December 2010	$ 59.95	2.4%	38.8%	0.8%	3 Years	$ 80.11
December 2009	$ 46.96	3.0%	38.6%	1.4%	3 Years	$ 61.81
December 2008	$ 29.28	4.8%	25.9%	1.3%	3 Years	$ 35.26

Total stock-based compensation expense recorded related to performance share awards was $1.9 million, $1.7 million and $0.1 million in 2010, 2009 and 2008, respectively. There has been no stock based compensation recorded related to the December 2010 performance award as the service inception date for this particular award begins on January 1, 2011.

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Stock Option Awards

Prior to 2005, the Company granted options to officers and other key employees to purchase the Company s Class B Common Stock. All options granted had an exercise price equal to the average between the high and low trading prices of the Company s Class B Common Stock on the measurement date. These option awards expire ten years after grant date. Exercises of existing stock option grants are expected to be settled in the Company s Class B Common Stock as authorized in the Option Plan. The last stock options granted by the Company were in 2004.

Stock option activity for the year ended December 31, 2010 is set forth below (in thousands, except per share amounts):

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2009	2,501	$ 40.44		
Exercised	(1,321)	37.29		
Canceled	(2)	44.31		
Outstanding at December 31, 2010	1,178	$ 43.98	3.2 years	$ 19,030
Exercisable at December 31, 2010	1,178	$ 43.98	3.2 years	$ 19,030

The aggregate intrinsic value of stock option exercises during 2010, 2009 and 2008 was $22.8 million, $2.5 million and $2.2 million, respectively. Cash received from option exercises was $49.3 million, $5.7 million and $8.1 million for 2010, 2009 and 2008, respectively.

The Company recorded realized tax benefits from equity-based awards of $9.7 million, $1.3 million and $0.8 million for the periods ended December 31, 2010, 2009 and 2008, respectively, which have been included in Cash Flows From Financing Activities.

Note 18 Earnings Per Share

The Company computes earnings per share using the two-class method, which is an earnings allocation formula that determines earnings per share for common stock and participating securities. Restricted stock granted by the Company is considered a participating security since it contains a non-forfeitable right to dividends.

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The following table sets forth the computation of earnings per share for the three years ended December 31 (in millions, except per share amounts):

	2010	2009	2008
Numerator:			
Net income attributable to Hubbell	$ 217.2	$ 180.1	$ 222.7
Less: Earnings allocated to participating securities	0.9	0.8	0.8
Net income available to common shareholders	$ 216.3	$ 179.3	$ 221.9
Denominator:			
Average number of common shares outstanding	59.9	56.8	56.2
Potential dilutive shares	0.4	0.2	0.3
Average number of diluted shares outstanding	60.3	57.0	56.5
Earnings per share:			
Basic	$ 3.61	$ 3.16	$ 3.96
Diluted	$ 3.59	$ 3.15	$ 3.93
Anti-dilutive securities excluded from the calculation of earnings per diluted share:			
Stock options and performance shares		1.5	1.6
Stock appreciation rights	1.6	2.3	1.3

Note 19 Accumulated Other Comprehensive Loss

The following table reflects the accumulated balances of other comprehensive income (loss) (in millions):

	2010	2009	2008
Pension and post retirement benefit plan adjustment, net of tax	$ (95.6)	$ (71.7)	$ (86.0)
Cumulative translation adjustment	14.6	2.7	(32.6)
Unrealized gain on investment, net of tax	0.5	0.5	0.2
Cash flow hedge gain (loss), net of tax	(0.8)	(0.3)	1.6
Total Accumulated other comprehensive loss	$ (81.3)	$ (68.8)	$ (116.8)

Note 20 Industry Segments and Geographic Area Information

Nature of Operations

Hubbell Incorporated was founded as a proprietorship in 1888, and was incorporated in Connecticut in 1905. Hubbell designs, manufactures and sells quality electrical and electronic products for a broad range of non-residential and residential construction, industrial and utility applications. Products are either sourced complete, manufactured or assembled by subsidiaries in the United States, Canada, Switzerland, Puerto Rico, China, Mexico, Italy, the UK, Brazil and Australia. Hubbell also participates in joint ventures in Taiwan and China, and maintains sales offices in Singapore, China, Mexico, South Korea and countries in the Middle East.

The Company s reporting segments consist of the Electrical segment (comprised of electrical systems products and lighting products), and the Power segment, as described below.

The Electrical segment is comprised of businesses that sell stock and custom products including standard and special application wiring device products, rough-in electrical products and lighting fixtures and controls, and other electrical equipment. The products are typically used in and around industrial, commercial and institutional facilities by electrical contractors, maintenance personnel, electricians, and telecommunications companies. In

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addition, certain businesses design and manufacture a variety of high voltage test and measurement equipment, industrial controls and communication systems used in the non-residential and industrial markets. Many of these products may also be found in the oil and gas (onshore and offshore) and mining industries. Certain lighting fixtures, wiring devices and electrical products also have residential and utility applications. These products are primarily sold through electrical and industrial distributors, home centers, some retail and hardware outlets, and lighting showrooms. Special application products are sold primarily through wholesale distributors to contractors, industrial customers and OEMs. High voltage products are also sold direct to customers through our sales engineers.

The Power segment consists of operations that design and manufacture various transmission, distribution, substation and telecommunications products primarily used by the utility industry. In addition, certain of these products are used in the civil construction and transportation industries. Products are sold to distributors and directly to users such as electric utilities, telecommunication companies, mining operations, industrial firms, construction and engineering firms.

Financial Information

Financial information by industry segment and geographic area for the three years ended December 31, 2010, is summarized below (in millions). When reading the data the following items should be noted:

Net sales comprise sales to unaffiliated customers inter-segment and inter-area sales are not significant.

Segment operating income consists of net sales less operating expenses, including total corporate expenses, which are generally allocated to each segment on the basis of the segment s percentage of consolidated net sales. Interest expense and investment income and other expense, net have not been allocated to segments as these items are centrally managed by the Company.

General corporate assets not allocated to segments are principally cash, prepaid pensions, investments and deferred taxes. These assets have not been allocated as they are centrally managed by the Company.

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Industry Segment Data

	2010	2009	2008
Net Sales:			
Electrical	$ 1,808.2	$ 1,650.1	$ 1,958.2
Power	733.0	705.5	746.2
Total	$ 2,541.2	$ 2,355.6	$ 2,704.4
Operating Income:			
Electrical	$ 248.7	$ 163.7	$ 227.3
Power	119.1	131.0	118.7
Operating income	367.8	294.7	346.0
Loss on extinguishment of debt	(14.7)		
Interest expense	(31.1)	(30.9)	(27.4)
Investment income and other expense, net	(1.6)	(2.2)	(0.2)
Income before income taxes	$ 320.4	$ 261.6	$ 318.4
Assets:			
Electrical	$ 1,576.7	$ 1,607.9	$ 1,252.0
Power	622.2	587.7	636.7
General Corporate	506.9	207.2	226.8
Total	$ 2,705.8	$ 2,402.8	$ 2,115.5
Capital Expenditures:			
Electrical	$ 23.5	$ 13.9	$ 31.7
Power	17.8	10.5	12.1
General Corporate	6.0	5.0	5.6
Total	$ 47.3	$ 29.4	$ 49.4
Depreciation and Amortization:			
Electrical	$ 50.8	$ 48.1	$ 42.7
Power	21.7	22.5	20.4
Total	$ 72.5	$ 70.6	$ 63.1

HUBBELL INCORPORATED AND SUBSIDIARIES

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Geographic Area Data

	2010	2009	2008
Net Sales:			
United States	$ 2,107.9	$ 1,981.0	$ 2,283.5
International	433.3	374.6	420.9
Total	$ 2,541.2	$ 2,355.6	$ 2,704.4
Operating Income:			
United States	$ 292.9	$ 227.6	$ 269.9
International	74.9	67.1	76.1
Total	$ 367.8	$ 294.7	$ 346.0
Property, Plant, and Equipment, net:			
United States	$ 285.6	$ 298.0	$ 291.1
International	72.7	70.8	58.0
Total	$ 358.3	$ 368.8	$ 349.1

On a geographic basis, the Company defines international as operations based outside of the United States and its possessions. As a percentage of total net sales, shipments from foreign operations directly to third parties were 17% in 2010 and 16% in both 2009 and 2008, with Canada, UK and Switzerland operations representing approximately 29%, 20% and 18%, respectively, of 2010 total international net sales. Long-lived assets of international subsidiaries were 20%, 19% and 17% of the consolidated total in 2010, 2009 and 2008, respectively, with the Mexico, Brazil, Canada and UK operations representing approximately 50%, 18%, 13% and 10%, respectively, of the 2010 international total. Export sales from United States operations were $182.7 million in 2010, $183.3 million in 2009 and $184.9 million in 2008.

Note 21 Guarantees

The Company accrues for costs associated with guarantees when it is probable that a liability has been incurred and the amount can be reasonably estimated. The most likely costs to be incurred are accrued based on an evaluation of currently available facts and, where no amount within a range of estimates is more likely, the minimum is accrued.

The Company records a liability equal to the fair value of guarantees in the Consolidated Balance Sheet in accordance with the guarantees accounting guidance. As of December 31, 2010, the fair value and maximum potential payment related to the Company s guarantees were not material.

The Company offers product warranties which cover defects on most of its products. These warranties primarily apply to products that are properly installed, maintained and used for their intended purpose. The Company accrues estimated warranty costs at the time of sale. Estimated warranty expenses are based upon historical information such as past experience, product failure rates, or the number of units to be repaired or replaced. Adjustments are made to the product warranty accrual as claims are incurred or as historical experience indicates. The product warranty accrual is reviewed for reasonableness on a quarterly basis and is adjusted as additional information regarding expected warranty costs becomes known.

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Changes in the accrual for product warranties in 2010 are set forth below (in millions):

Balance at December 31, 2009	$ 9.0
Provision	7.5
Expenditures/other	(9.8)
Balance at December 31, 2010	$ 6.7

Note 22 Quarterly Financial Data (Unaudited)

The table below sets forth summarized quarterly financial data for the years ended December 31, 2010 and 2009 (in millions, except per share amounts):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2010				
Net Sales	$ 570.5	$ 646.4	$ 685.0	$ 639.3
Gross Profit	$ 175.7	$ 211.0	$ 235.2	$ 206.8
Net Income	$ 39.0	$ 57.9	$ 71.7	$ 50.2(1)
Net Income attributable to Hubbell	$ 38.6	$ 57.6	$ 71.3	$ 49.7(1)
Earnings Per Share Basic	$ 0.64	$ 0.96	$ 1.19	$ 0.82(1)
Earnings Per Share Diluted	$ 0.64	$ 0.95	$ 1.18	$ 0.81(1)
2009				
Net Sales	$ 585.6	$ 584.2	$ 593.9	$ 591.9
Gross Profit	$ 167.0	$ 174.2	$ 192.9	$ 191.8
Net Income	$ 34.1	$ 39.6	$ 57.5	$ 50.1(2)
Net Income attributable to Hubbell	$ 33.8	$ 39.4	$ 57.3	$ 49.6(2)
Earnings Per Share Basic	$ 0.60	$ 0.70	$ 1.01	$ 0.85
Earnings Per Share Diluted	$ 0.60	$ 0.70	$ 1.01	$ 0.84

(1) The fourth quarter of 2010 includes a $14.7 million pre-tax charge ($9.1 million after-tax) related to a loss on debt extinguishment. The earnings per share impact of this charge, both basic and diluted, was $0.15.

(2) The fourth quarter of 2009 includes a $4.9 million out of period adjustment which decreased Provision for income taxes. See Note 12 Income Taxes.

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Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A. ***Controls and Procedures***

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures which, by their nature, can provide only reasonable assurance that the controls and procedures will meet their objectives.

The Company carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), as of the end of the period covered by this report on Form 10-K. Based upon that evaluation, each of the Chief Executive Officer and Chief Financial Officer concluded that the Company s disclosure controls and procedures are effective at a reasonable assurance level. Management s annual report on internal control over financial reporting and the independent registered public accounting firm s audit report on the effectiveness of our internal control over financial reporting as of December 31, 2010 are included in Item 8 of this Annual Report on Form 10-K.

There have been no changes in the Company s internal control over financial reporting that occurred during the Company s most recently completed quarter that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

Item 9B. ***Other Information***

Not applicable.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance(1)***

Item 11. ***Executive Compensation(2)***

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

Equity Compensation Plan Information

The following table provides information as of December 31, 2010 with respect to the Company s common stock that may be issued under the Company s equity compensation plans (in thousands, except per share amounts):

Plan Category	A Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	B Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	C Number of Securities Remaining, Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A)
Equity Compensation Plans Approved by Shareholders(a)	3,884(c)(d)	$ 45.79(e)	3,253(c)
Equity Compensation Plans Not Requiring Shareholder Approval(b)			140(c)
Total	3,884	$ 45.79	3,393

(a) The Company s (1) Option Plan and (2) Award Plan.

(b) The Company s Deferred Compensation Plan for Directors.

(c) Class B Common Stock

(d) Includes 233 performance share awards assuming a maximum payout target. The Company does not anticipate that the maximum payout target will be achieved for these awards.

(e) Weighted average exercise price excludes performance share awards included in column A.

The remaining information required by this item is incorporated by reference to the subheadings Compensation Discussion and Analysis, Compensation Committee Report, Executive Compensation and Compensation of Directors of the definitive proxy statement for the Company s annual meeting of shareholders scheduled to be held on May 2, 2011.

Item 13. ***Certain Relationships and Related Transactions and Director Independence(3)***

Item 14. ***Principal Accountant Fees and Services(4)***

(1) Certain of the information required by this item regarding executive officers is included under the subheading Executive Officers of the Registrant at the end of Part I, of this Form 10-K and the remaining required information is incorporated by reference to the subheadings Item 1 Election of Directors, General Information Regarding Executive Officers, General Section 16(a) Beneficial Ownership Reporting Compliance, Corporate Governance Code of Ethics, and Corporate Governance Board Committees Audit Committee of the definitive proxy statement for the Company s annual meeting of shareholders scheduled to be held on May 2, 2011.

(2) The information required by this item is incorporated by reference to the subheadings Compensation Discussion and Analysis, Compensation Committee Report, Executive Compensation and Compensation of Directors of the definitive proxy statement for the Company s annual meeting of shareholders scheduled to be held on May 2, 2011.

(3) The information required by this item is incorporated by reference to the subheadings General Review and Approval of Related Person Transactions and Corporate Governance Director Independence of the definitive proxy statement for the Company s annual meeting of shareholders scheduled to be held on May 2, 2011.

(4) The information required by this item is incorporated by reference to the subheading Item 2 Ratification of the Selection of Independent Registered Public Accounting Firm of the definitive proxy statement for the Company s annual meeting of shareholders scheduled to be held on May 2, 2011.

PART IV

Item 15. ***Exhibits and Financial Statement Schedule***

1. Financial Statements and Schedule

Financial statements and schedule listed in the Index to Financial Statements and Schedule are filed as part of this Annual Report on Form 10-K.

2. Exhibits

Number	Description
3a	Restated Certificate of Incorporation, as amended and restated as of September 23, 2003. Exhibit 3a of the registrant s report on Form 10-Q for the third quarter (ended September 30), 2003, and filed on November 10, 2003, is incorporated by reference.
3b	By-Laws, Hubbell Incorporated, as amended on December 2, 2008. Exhibit 3.1 of the registrant s report on Form 8-K dated and filed December 4, 2008, is incorporated by reference.
4b	Senior Indenture, dated as of September 15, 1995, between Hubbell Incorporated and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank and Chemical Bank), as trustee. Exhibit 4a of the registrant s registration statement on Form S-4 filed June 18, 2002, is incorporated by reference.
4f	First Supplemental Indenture, dated as of June 2, 2008, between Hubbell Incorporated and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank, N.A., The Chase Manhattan Bank and Chemical Bank), as trustee, including the form of 5.95% Senior Notes due 2018. Exhibit 4.2 of the registrant s report on Form 8-K filed on June 2, 2008, is incorporated by reference.
4g	Amended and Restated Rights Agreement, dated as of December 17, 2008, between Hubbell Incorporated and Mellon Investor Services LLC (successor to ChaseMellon Shareholder Services, L.L.C.), as Rights Agent. Exhibit 4.1 of the registrant s report on Form 8-K filed on December 17, 2008, is incorporated by reference.
4h	Second Supplemental Indenture, dated as of November 17, 2010, between Hubbell Incorporated and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York Trust Company, N.A., JPMorgan Chase Bank, N.A., The Chase Manhattan Bank and Chemical Bank), as trustee, including the form of 3.625% Senior Notes due 2022. Exhibit 4.2 of the registrant s report on Form 8-K filed on November 17, 2010, is incorporated by reference.
10a	Hubbell Incorporated Amended and Restated Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2005. Exhibit 10a of the registrant s report on Form 10-Q for the third quarter (ended September 30), 2007, filed October 26, 2007, is incorporated by reference.
10a(1) *	Amendment to Hubbell Incorporated Amended and Restated Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2005.
10b(1)	Hubbell Incorporated Stock Option Plan for Key Employees, as amended and restated effective May 5, 2003.(i) Exhibit 10b(1) of the registrant s report on Form 10-Q for the second quarter (ended June 30), 2003, filed August 12, 2003, is incorporated by reference; (ii) Amendment, dated June 9, 2004, filed as Exhibit 10ee of the registrant s report on Form 10-Q for the second quarter (ended June 30), 2004, filed August 5, 2004, is incorporated by reference.
10b(2)	Amendment, dated September 21, 2006, to the Hubbell Incorporated Stock Option Plan for Key Employees. Exhibit 10.1 of the registrant s report on Form 10-Q for the third quarter (ended September

	30), 2006, filed on November 7, 2006 is incorporated by reference.
10f	Hubbell Incorporated Deferred Compensation Plan for Directors, as amended and restated effective January 1, 2005, as amended December 4, 2007. Exhibit 10f of the registrant s report on Form 10-K for the year 2007, filed on February 28, 2008, is incorporated by reference.
10f(1)	Amendment, dated December 10, 2008, to the Hubbell Incorporated Deferred Compensation Plan for Directors. Exhibit 10f(1) of the registrant s report on Form 10-K for the year 2008, filed on February 20, 2009, is incorporated by reference.

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Number	Description
10h	Hubbell Incorporated Key Man Supplemental Medical Insurance, as amended and restated effective January 1, 2005. Exhibit 10h of the registrant s report on Form 10-Q for the third quarter (ended September 30), 2007, filed October 26, 2007, is incorporated by reference.
10i	Hubbell Incorporated Retirement Plan for Directors, as amended and restated effective January 1, 2005. Exhibit 10i of the registrant s report on Form 10-Q for the third quarter (ended September 30), 2007, filed October 26, 2007, is incorporated by reference.
10o	Hubbell Incorporated Policy for Providing Severance Payments to Key Managers, as amended and restated effective September 12, 2007. Exhibit 10o of the registrant s report on Form 10-Q for the third quarter (ended September 30), 2007, filed on October 26, 2007, is incorporated by reference.
10p	Hubbell Incorporated Senior Executive Incentive Compensation Plan, effective January 1, 1996. Exhibit C of the registrant s proxy statement, dated March 22, 1996 and filed on March 27, 1996, is incorporated by reference.
10.1	Change in Control and Severance Agreement, dated as of December 31, 2010, between Hubbell Incorporated and Timothy H. Powers. Exhibit 10.1 of the registrant s report on Form 8-K filed on January 5, 2011, is incorporated by reference.
10u	Change in Control and Severance Agreement, dated as of December 31, 2010, between Hubbell Incorporated and Richard W. Davies. Exhibit 10.3 of the registrant s report on Form 8-K filed on January 5, 2011, is incorporated by reference.
10v	Change in Control and Severance Agreement, dated as of December 31, 2010, between Hubbell Incorporated and James H. Biggart. Exhibit 10.4 of the registrant s report on Form 8-K filed on January 5, 2011, is incorporated by reference.
10w	Hubbell Incorporated Amended and Restated Top Hat Restoration Plan, as amended and restated effective January 1, 2005. Exhibit 10w of the registrant s report on Form 10-Q for the third quarter (ended September 30), 2007 filed October 26, 2007, is incorporated by reference.
10w(1) *	Amendment to Hubbell Incorporated Amended and Restated Top Hat Restoration Plan, as amended and restated effective January 1, 2005.
10z	Hubbell Incorporated Incentive Compensation Plan, adopted effective January 1, 2002. Exhibit 10z of the registrant s report on Form 10-K for the year 2001, filed on March 19, 2002, is incorporated by reference.
10aa	Change in Control and Severance Agreement, dated as of December 31, 2010, between Hubbell Incorporated and William R. Murphy. Exhibit 10.5 of the registrant s report on Form 8-K filed on January 5, 2011, is incorporated by reference.
10cc	Change in Control and Severance Agreement, dated as of December 31, 2010, between Hubbell Incorporated and Gary N. Amato. Exhibit 10.7 of the registrant s report on Form 8-K filed on January 5, 2011, is incorporated by reference.
10.9	Grantor Trust for Senior Management Plans Trust Agreement, dated as of March 14, 2005, between Hubbell Incorporated and The Bank of New York, as Trustee. Exhibit 10.9 of the registrant s report on Form 8-K dated and filed March 15, 2005, is incorporated by reference.
10.9.1	First Amendment, dated as of January 1, 2005, to the Hubbell Incorporated Grantor Trust for Senior Management Plans Trust Agreement. Exhibit 10.9.1 of the registrant s report on Form 10-K for the year 2007, filed on February 28, 2008, is incorporated by reference.
10.9.2	Second Amendment, dated June 3, 2009, to the Grantor Trust for Senior Management Plans Trust Agreement. Exhibit 10.9.2 of the registrant s report on Form 10-Q for the second quarter (ended June 30), 2009 filed on July 24, 2009, is incorporated by reference.
10.10	Grantor Trust for Non-Employee Director Plans Trust Agreement, dated as of March 14, 2005, between Hubbell Incorporated and The Bank of New York. Exhibit 10.10 of the registrant s report on Form 8-K

	dated and filed March 15, 2005, is incorporated by reference.
10.10.1	First Amendment, dated as of January 1, 2005, to the Hubbell Incorporated Grantor Trust for Non-Employee Director Plans Trust Agreement. Exhibit 10.10.1 of the registrant s report on Form 10-K for the year 2007, filed on February 28, 2008, is incorporated by reference.

Number	Description
10.ee	Hubbell Incorporated 2005 Incentive Award Plan, as amended and restated effective as of May 3, 2010. Exhibit 10.1 of the registrant s report on Form 8-K filed May 7, 2010, is incorporated by reference.
10.ff	Letter Agreement, dated September 2005, between Hubbell Incorporated and David G. Nord. Exhibit 99.1 of the registrant s report on Form 8-K dated and filed September 6, 2005, is incorporated by reference.
10.gg	Change in Control and Severance Agreement, dated as of December 31, 2010, between Hubbell Incorporated and David G. Nord. Exhibit 10.2 of the registrant s report on Form 8-K filed on January 5, 2011, is incorporated by reference.
10.ii	Credit Agreement, dated as of October 31, 2007 Among Hubbell Incorporated, Hubbell Cayman Limited, Hubbell Investments Limited, The Lenders Party hereto, Bank of America, N.A., Citibank, N.A., U.S. Bank National Association, and Wachovia Bank National Association as Syndication Agents, JPMorgan Chase Bank, N.A., as Administrative Agent, and J.P. Morgan Securities Inc. as Sole Lead Arranger and Bookrunner (the Credit Agreement). Exhibit 10.ii of the registrant s report on Form 8-K dated and filed November 5, 2007 is incorporated by reference.
10.ii(1)	Amendment No. 1, dated as of October 31, 2007, to the Credit Agreement described in Exhibit No. 10.ii above. Exhibit 10.1 of the registrant s report on Form 10-Q for the first quarter (ended March 31), 2008, dated and filed April 25, 2008, is incorporated by reference.
10.jj	Hubbell Incorporated Executive Deferred Compensation Plan, effective January 1, 2008. Exhibit 10.jj of the registrant s report on Form 10-Q for the third quarter (ended September 30), 2007, filed on October 26, 2007, is incorporated by reference.
10.kk	Hubbell Incorporated Supplemental Management Retirement Plan, effective September 12, 2007. Exhibit 10.ll of the registrant s report on Form 10-Q for the third quarter (ended September 30), 2007, filed on October 26, 2007, is incorporated by reference.
10.kk(1) *	Amendment to Hubbell Incorporated Supplemental Management Retirement Plan, effective September 12, 2007.
10.mm	Trust Agreement, dated as of January 1, 2008, by and between Hubbell Incorporated and T. Rowe Price Trust Company, as Trustee. Exhibit 10.mm of the registrant s report on Form 10-K for the year 2007, filed on February 28, 2008, is incorporated by reference.
10.nn	Amendment, dated February 15, 2008, to Hubbell Incorporated Amended and Restated Supplemental Executive Retirement Plan. Exhibit 10.nn of the registrant s report on Form 10-K for the year 2007, filed on February 28, 2008, is incorporated by reference.
10.rr	Change in Control Severance Agreement, dated as of December 31, 2010, between Hubbell Incorporated and Darrin S. Wegman. Exhibit 10.6 of the registrant s report on Form 8-K filed January 5, 2011, is incorporated by reference.
10.tt	Hubbell Incorporated Defined Contribution Restoration Plan, effective January 1, 2011. Exhibit 10.1 of the registrant s report on Form 8-K filed December 13, 2010, is incorporated by reference.
10.uu	Change in Control Severance Agreement, dated as of December 31, 2010, between Hubbell Incorporated and Scott H. Muse. Exhibit 10.8 of the registrant s report on Form 8-K filed January 5, 2011, is incorporated by reference.
10.vv	Change in Control Severance Agreement, dated as of December 31, 2010, between Hubbell Incorporated and William T. Tolley. Exhibit 10.9 of the registrant s report on Form 8-K filed January 5, 2011, is incorporated by reference.
21*	Listing of subsidiaries.
23*	Consent of PricewaterhouseCoopers LLP.
31.1*	Certification of Chief Executive Officer Pursuant to Item 601(b) (31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2*	Certification of Chief Financial Officer Pursuant to Item 601(b) (31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Number	Description
32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS**	XBRL Instance Document.
101.SCH**	XBRL Taxonomy Extension Schema Document.
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document.

This exhibit constitutes a management contract, compensatory plan, or arrangement

* Filed hereunder

** In accordance with Rule 406T of Regulation S-T, this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Hubbell Incorporated

By	/s/ Darrin S. Wegman
Darrin S. Wegman *Vice President and Controller* *(Also signing as Chief Accounting Officer)*	
By	/s/ David G. Nord
David G. Nord *Senior Vice President and Chief Financial Officer*	

Date: February 16, 2011

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

		Title	Date
By	/s/ T. H. Powers T. H. Powers	Chairman of the Board, President and Chief Executive Officer and Director	2/16/11
By	/s/ D. G. Nord D. G. Nord	Senior Vice President and Chief Financial Officer	2/16/11
By	/s/ D. S. Wegman D. S. Wegman	Vice President, Controller	2/16/11
By	/s/ G. W. Edwards, Jr G. W. Edwards, Jr	Director	2/16/11
By	/s/ L. J. Good L. J. Good	Director	2/16/11
By	/s/ A. J. Guzzi A. J. Guzzi	Director	2/16/11
By	/s/ J. S. Hoffman J. S. Hoffman	Director	2/16/11
By	/s/ N.J. Keating N.J. Keating	Director	2/16/11
By	/s/ A. McNally IV A. McNally IV	Director	2/16/11
By	/s/ G. J. Ratcliffe G. J. Ratcliffe	Director	2/16/11
By	/s/ C. A. Rodriguez	Director	2/16/11

	C. A. Rodriguez		
By	/s/ R. J. Swift	Director	2/16/11
	R. J. Swift		
By	/s/ D. S. Van Riper	Director	2/16/11
	D. S. Van Riper		

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Schedule II

HUBBELL INCORPORATED AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
FOR THE YEARS ENDED DECEMBER 31, 2008, 2009 AND 2010

Reserves deducted in the balance sheet from the assets to which they apply (in millions):

	Balance at Beginning of Year	Additions/ (Reversals) Charged to Costs and Expenses	Acquisitions/ Dispositions of Businesses	Deductions	Balance at End of Year
Allowances for doubtful accounts receivable:					
Year 2008	$ 3.7	$ 2.2	$ 0.4	$ (2.3)	$ 4.0
Year 2009	$ 4.0	$ 2.1	$	$ (1.0)	$ 5.1
Year 2010	$ 5.1	$ (0.2)	$	$ (1.3)	$ 3.6
Allowance for credit memos and returns:					
Year 2008	$ 18.9	$ 106.3	$ 0.2	$ (108.6)	$ 16.8
Year 2009	$ 16.8	$ 85.4	$	$ (83.6)	$ 18.6
Year 2010	$ 18.6	$ 102.3	$	$ (102.3)	$ 18.6
Allowances for excess/obsolete inventory:					
Year 2008	$ 27.6	$ 9.1	$ 1.2	$ (4.8)	$ 33.1
Year 2009	$ 33.1	$ 12.0	$	$ (8.2)	$ 36.9
Year 2010	$ 36.9	$ 4.9	$	$ (9.4)	$ 32.4
Valuation allowance on deferred tax assets:					
Year 2008	$	$ 2.5	$	$	$ 2.5
Year 2009	$ 2.5	$	$	$ (0.3)	$ 2.2
Year 2010	$ 2.2	$ 0.4	$	$	$ 2.6

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