

EVERGREEN UTILITIES & HIGH INCOME FUND

Form N-Q

July 31, 2006

OMB APPROVAL
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-Q**

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

Investment Company Act file number 811-21507

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Evergreen Utilities and High Income Fund

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(Exact name of registrant as specified in charter)

200 Berkeley Street  
Boston, Massachusetts 02116

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(Address of principal executive offices) (Zip code)

Michael H. Koonce, Esq.  
200 Berkeley Street  
Boston, Massachusetts 02116

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(Name and address of agent for service)

Registrant's telephone number, including area code: (617) 210-3200

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Date of fiscal year end: Registrant is making a quarterly filing for 1 of its series, Evergreen Utilities and High Income Fund, for the quarter ended May 31, 2006. This 1 series have a August 31 fiscal year end.

Date of reporting period: May 31, 2006

## Item 1 Schedule of Investments

**EVERGREEN UTILITIES AND HIGH INCOME  
FUND  
SCHEDULE OF INVESTMENTS**

May 31, 2006 (unaudited)

	Principal Amount	Value
<b>CORPORATE BONDS 42.9%</b>		
<b>CONSUMER DISCRETIONARY 9.1%</b>		
<b>Auto Components 0.2%</b>		
American Axle & Manufacturing Holdings, Inc., 5.25%, 02/11/2014	\$ 500,000	\$ 416,875
<b>Automobiles 0.2%</b>		
General Motors Corp., 8.375%, 07/15/2033 p	500,000	381,875
<b>Diversified Consumer Services 0.5%</b>		
Service Corporation International, 7.50%, 06/15/2017 144A	1,000,000	955,000
<b>Hotels, Restaurants &amp; Leisure 1.7%</b>		
Seneca Gaming Corp., 7.25%, 05/01/2012	1,000,000	992,500
Starwood Hotels & Resorts Worldwide, Inc., 7.875%, 05/01/2012	1,000,000	1,062,500
Town Sports International, Inc., 9.625%, 04/15/2011	1,000,000	1,060,000
		3,115,000
<b>Household Durables 0.2%</b>		
Meritage Homes Corp., 6.25%, 03/15/2015	325,000	289,250
<b>Media 3.1%</b>		
CSC Holdings, Inc., 7.625%, 04/01/2011	1,000,000	1,010,000
Emmis Communications Corp., 6.875%, 05/15/2012	1,000,000	985,000
Lamar Media Corp., 6.625%, 08/15/2015	1,000,000	955,000
LIN TV Corp., 6.50%, 05/15/2013	1,000,000	932,500
MediaNews Group, Inc., 6.375%, 04/01/2014	1,000,000	910,000
R.H. Donnelley Corp., 10.875%, 12/15/2012	1,000,000	1,105,000
		5,897,500
<b>Multi-line Retail 0.5%</b>		
J.C. Penney Co., Inc., 7.375%, 08/15/2008	1,000,000	1,033,574
<b>Specialty Retail 1.6%</b>		
Central Garden & Pet Co., 9.125%, 02/01/2013	1,500,000	1,567,500
Payless ShoeSource, Inc., 8.25%, 08/01/2013	300,000	316,500
United Auto Group, Inc., 9.625%, 03/15/2012	1,000,000	1,061,250

			2,945,250
<b>Textiles, Apparel &amp; Luxury Goods 1.1%</b>			
Oxford Industries, Inc., 8.875%, 06/01/2011		1,000,000	1,030,000
Warnaco Group, Inc., 8.875%, 06/15/2013		1,000,000	1,035,000
			2,065,000
<b>CONSUMER STAPLES 2.7%</b>			
<b>Food &amp; Staples Retailing 1.1%</b>			
Ingles Markets, Inc., 8.875%, 12/01/2011		1,000,000	1,052,500
Rite Aid Corp., 8.125%, 05/01/2010		1,000,000	1,012,500
			2,065,000
<b>Food Products 1.6%</b>			
B&G Foods Holdings Corp., 8.00%, 10/01/2011		1,000,000	1,012,500
Dean Foods Co., 8.15%, 08/01/2007		500,000	511,875
Del Monte Foods Co., 6.75%, 02/15/2015		1,500,000	1,428,750
			2,953,125
<b>ENERGY 5.6%</b>			
<b>Energy Equipment &amp; Services 0.8%</b>			
Hornbeck Offshore Services, Inc., Ser. B, 6.125%, 12/01/2014		150,000	140,625
Parker Drilling Co., 9.625%, 10/01/2013		315,000	347,287
PHI, Inc., 7.125%, 04/15/2013 144A		1,000,000	980,000
			1,467,912
<b>Oil, Gas &amp; Consumable Fuels 4.8%</b>			
Chesapeake Energy Corp., 6.875%, 01/15/2016		1,000,000	977,500
El Paso Production Holding Co., 7.75%, 06/01/2013		1,000,000	1,025,000

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**EVERGREEN UTILITIES AND HIGH INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

May 31, 2006 (unaudited)

	Principal Amount	Value
<b>CORPORATE BONDS</b> continued		
<b>ENERGY</b> continued		
<b>Oil, Gas &amp; Consumable Fuels</b> continued		
Exco Resources, Inc., 7.25%, 01/15/2011	\$ 1,500,000	\$ 1,470,000

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Ferrellgas Partners, LP, 6.75%, 05/01/2014	1,000,000	962,500
Frontier Oil Corp., 6.625%, 10/01/2011	125,000	121,875
Peabody Energy Corp., 6.875%, 03/15/2013	1,000,000	1,005,000
Plains Exploration & Production Co., 8.75%, 07/01/2012	1,000,000	1,050,000
Targa Resources, Inc., 8.50%, 11/01/2013 144A	1,000,000	995,000
Tesoro Corp., 6.625%, 11/01/2015 144A	500,000	485,000
Williams Cos., 7.125%, 09/01/2011	1,000,000	1,025,000
		<hr/>
		9,116,875
		<hr/>
<b>FINANCIALS 4.4%</b>		
<b>Consumer Finance 0.5%</b>		
General Motors Acceptance Corp., 5.625%, 05/15/2009	1,000,000	941,883
		<hr/>
<b>Diversified Financial Services 0.5%</b>		
US West Capital, Ltd., 6.50%, 11/15/2018	1,000,000	895,000
		<hr/>
<b>Insurance 0.8%</b>		
Crum & Forster Holdings Corp., 10.375%, 06/15/2013	1,500,000	1,575,000
		<hr/>
<b>Real Estate Investment Trusts 2.2%</b>		
Host Marriott Corp., Ser. J, 7.125%, 11/01/2013	1,000,000	1,010,000
Omega Healthcare Investors, Inc.:		
7.00%, 04/01/2014	1,000,000	968,750
7.00%, 01/15/2016	250,000	240,313
Thornburg Mortgage, Inc., 8.00%, 05/15/2013	1,000,000	992,500
Ventas, Inc., 7.125%, 06/01/2015	1,000,000	1,013,750
		<hr/>
		4,225,313
		<hr/>
<b>Real Estate Management &amp; Development 0.4%</b>		
CB Richard Ellis Group, Inc., 9.75%, 05/15/2010	650,000	698,750
		<hr/>
<b>HEALTH CARE 2.1%</b>		
<b>Health Care Providers &amp; Services 1.6%</b>		
Extendicare Health Services, Inc., 6.875%, 05/01/2014	1,000,000	1,050,000
HCA, Inc., 6.375%, 01/15/2015	1,000,000	952,328
Triad Hospitals, Inc., 7.00%, 11/15/2013	1,000,000	973,750
		<hr/>
		2,976,078
		<hr/>
<b>Pharmaceuticals 0.5%</b>		
Mylan Laboratories, Inc., 6.375%, 08/15/2015	1,000,000	970,000
		<hr/>
<b>INDUSTRIALS 4.3%</b>		
<b>Aerospace &amp; Defense 0.6%</b>		

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Aviall, Inc., 7.625%, 07/01/2011	1,000,000	1,047,500
<b>Commercial Services &amp; Supplies 2.2%</b>		
Adesa, Inc., 7.625%, 06/15/2012	1,000,000	1,010,000
Corrections Corporation of America, 6.25%, 03/15/2013	1,050,000	1,002,750
Geo Group, Inc., 8.25%, 07/15/2013	1,000,000	1,015,000
NationsRent Companies, Inc., 9.50%, 10/15/2010	1,000,000	1,080,000
		4,107,750
<b>Machinery 0.5%</b>		
Manitowoc Co., Inc., 7.125%, 11/01/2013	1,000,000	1,025,000
<b>Road &amp; Rail 1.0%</b>		
Avis Budget Car Rental, LLC, 7.625%, 05/15/2014 144A	500,000	505,000
Progress Rail Services Corp., 8.50%, 04/01/2012 144A	1,250,000	1,381,250
		1,886,250

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**EVERGREEN UTILITIES AND HIGH INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

May 31, 2006 (unaudited)

	Principal Amount	Value
<b>CORPORATE BONDS continued</b>		
<b>INFORMATION TECHNOLOGY 1.0%</b>		
<b>IT Services 1.0%</b>		
Sungard Data Systems, Inc., 4.875%, 01/15/2014	\$ 1,000,000	\$ 880,000
Unisys Corp., 8.00%, 10/15/2012 p	1,000,000	943,750
		1,823,750
<b>MATERIALS 6.8%</b>		
<b>Chemicals 2.3%</b>		
Equistar Chemicals, LP, 10.625%, 05/01/2011	1,000,000	1,087,500
Lyondell Chemical Co., 10.50%, 06/01/2013	1,000,000	1,125,000
Scotts Co., 6.625%, 11/15/2013	1,000,000	985,000
Tronox Worldwide, Inc., 9.50%, 12/01/2012 144A	600,000	625,500
Westlake Chemical Corp., 6.625%, 01/15/2016	600,000	580,500
		4,403,500

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<b>Containers &amp; Packaging 1.1%</b>		
Crown Holdings, Inc., 7.75%, 11/15/2015 144A	1,000,000	1,012,500
Owens-Brockway Glass Containers, Inc., 6.75%, 12/01/2014	1,010,000	962,025
		<b>1,974,525</b>
<b>Metals &amp; Mining 1.6%</b>		
Freeport-McMoRan Copper & Gold, Inc., 6.875%, 02/01/2014	2,000,000	1,940,000
United States Steel Corp., 10.75%, 08/01/2008	1,000,000	1,090,000
		<b>3,030,000</b>
<b>Paper &amp; Forest Products 1.8%</b>		
Boise Cascade, LLC, 7.125%, 10/15/2014	1,250,000	1,137,500
Glatfelter, 7.125%, 05/01/2016 144A	800,000	800,000
Bowater, Inc., 6.50%, 06/15/2013	500,000	451,250
Georgia Pacific Corp., 8.125%, 05/15/2011	1,000,000	1,025,000
		<b>3,413,750</b>
<b>TELECOMMUNICATION SERVICES 2.1%</b>		
<b>Diversified Telecommunication Services 1.6%</b>		
Citizens Communications Co., 6.25%, 01/15/2013	1,000,000	960,000
Insight Midwest, LP, 10.50%, 11/01/2010	1,000,000	1,053,750
Level 3 Communications, Inc., 6.375%, 10/15/2015	1,000,000	950,000
		<b>2,963,750</b>
<b>Wireless Telecommunication Services 0.5%</b>		
Rural Cellular Corp., 8.25%, 03/15/2012	1,000,000	1,035,000
<b>UTILITIES 4.8%</b>		
<b>Electric Utilities 1.6%</b>		
DPL, Inc., 6.875%, 09/01/2011	1,000,000	1,042,262
Edison International, 7.73%, 06/15/2009	1,000,000	1,025,000
Reliant Energy, Inc., 6.75%, 12/15/2014	1,000,000	910,000
		<b>2,977,262</b>
<b>Independent Power Producers &amp; Energy Traders 1.9%</b>		
Dynegy, Inc., 8.375%, 05/01/2016 144A	1,000,000	1,000,000
Mirant North America, LLC, 7.375%, 12/31/2013 144A	975,000	967,687
NRG Energy, Inc, 7.25%, 02/01/2014	700,000	701,750
Tenaska, Inc., 7.00%, 06/30/2021 144A	985,260	976,146
		<b>3,645,583</b>
<b>Multi-Utilities 1.3%</b>		

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Aquila, Inc., 14.875%, 07/01/2012	1,000,000	1,347,500
CMS Energy Corp., 7.50%, 01/15/2009	1,000,000	1,017,500
		2,365,000
<i>Total Corporate Bonds (cost \$83,437,223)</i>		80,682,880

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**EVERGREEN UTILITIES AND HIGH INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

May 31, 2006  
(unaudited)

	Shares	Value
<b>CONVERTIBLE PREFERRED STOCKS 7.2%</b>		
<b>ENERGY 3.6%</b>		
<b>Oil, Gas &amp; Consumable Fuels 3.6%</b>		
El Paso Corp., 4.99%, 12/31/2049	5,000	\$ 6,756,250
<b>UTILITIES 3.6%</b>		
<b>Multi-Utilities 3.6%</b>		
PNM Resources, Inc., 6.75%, 05/16/2008	142,000	6,851,500
<i>Total Convertible Preferred Stocks (cost \$11,901,095)</i>		13,607,750
<b>COMMON STOCKS 84.1%</b>		
<b>ENERGY 8.4%</b>		
<b>Oil, Gas &amp; Consumable Fuels 8.4%</b>		
Crosstex Energy, Inc.	120,000	10,832,400
Hugoton Royalty Trust	2,173	60,149
Southwestern Energy Co. *	150,000	4,845,000
		15,737,549
<b>FINANCIALS 6.1%</b>		
<b>Real Estate Investment Trusts 6.1%</b>		
Global Signal, Inc.	250,000	11,450,000
<b>TELECOMMUNICATION SERVICES 14.4%</b>		
<b>Diversified Telecommunication Services 4.2%</b>		
AT&T, Inc.	5,000	130,300
BellSouth Corp.	5,000	168,850
Shenandoah Telecommunications Co.	170,000	7,561,600

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			7,860,750
<b>Wireless Telecommunication Services 10.2%</b>			
Alltel Corp. μ		100,000	6,185,000
American Tower Corp., Class A *		125,000	3,871,250
Bouygues SA Centennial		50,000	2,722,180
Communications Corp. Rogers Communications, Inc.		575,000 75,000	3,358,000 3,129,750
			19,266,180
<b>UTILITIES 55.2%</b>			
<b>Electric Utilities 39.4%</b>			
Allegheny Energy, Inc. *		50,000	1,823,500
Cleco Corp.		50,000	1,110,500
DPL, Inc.		400,000	10,720,000
E.ON AG, ADR		190,000	7,305,500
Entergy Corp.		150,000	10,516,500
Exelon Corp.		200,000	11,322,000
FirstEnergy Corp.		150,000	7,863,000
Maine & Maritimes Corp.		500	7,705
MGE Energy, Inc.		5,000	154,700
Northeast Utilities		200	4,046
Reliant Energy, Inc. *		500	5,825
Scottish Power plc		1,746,032	18,269,393
Scottish Power plc, ADR		119,048	4,977,382
UIL Holdings Corp.		200	11,046
			74,091,097
<b>Independent Power Producers &amp; Energy Traders 11.5%</b>			
AES Corp. *		500	9,200
Black Hills Corp.		200	6,766
Constellation Energy Group, Inc.		1,000	51,700
Dynegy, Inc., Class A *		300,000	1,584,000
Mirant Corp. Escrow * ☐+		5,000,000	0

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**EVERGREEN UTILITIES AND HIGH INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

May 31, 2006 (unaudited)

	Shares	Value
<b>COMMON STOCKS</b> continued		



**UTILITIES continued****Independent Power Producers & Energy Traders continued**

Mirant North America, LLC *	280,000	\$	6,966,400
TXU Corp.	225,000		12,892,500
			21,510,566

**Multi-Utilities 1.9%**

Ameren Corp.	200		9,898
CMS Energy Corp. *	200		2,568
Duke Energy Corp.	300		8,466
Energy East Corp.	1,000		23,840
NSTAR	50,000		1,383,000
PG&E Corp.	200		7,936
Puget Energy, Inc.	200		4,238
RWE AG	25,000		2,139,783
Wisconsin Energy Corp.	1,500		59,805
Xcel Energy, Inc.	200		3,754
			3,643,288

**Water Utilities 2.4%**

Kelda Group plc	100,000		1,410,915
Pennichuck Corp.	150,000		3,118,500
			4,529,415

Total Common  
Stocks (cost \$127,387,331)

158,088,845

**PREFERRED STOCKS 6.9%****UTILITIES 6.9%****Electric Utilities 5.4%**

Carolina Power & Light Co.	9,217		796,349
Connecticut Light & Power Co., Ser. 1947	22,000		784,439
Dayton Power & Light Co., Ser. A	9,416		618,513
Dayton Power & Light Co., Ser. B	5,120		345,280
Entergy Arkansas, Inc.	644		64,662
Entergy Louisiana, Inc.	3,117		319,687
Louisville Gas & Electric Co.	36,913		858,227
Ohio Edison Co.	14,000		1,044,750
PECO Energy Co., Ser. C	29,590		2,538,822
Southern California Edison Co., Ser. B	45,900		872,100
Southern California Edison Co., Ser. D	54,000		1,042,200
Union Electric Co.	10,800		895,590
			10,180,619

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<b>Multi-Utilities 1.5%</b>		
Consolidated Edison, Inc.	9,100	793,975
Pacific Gas & Electric Co., Ser. D	30,600	644,895
Pacific Gas & Electric Co., Ser. H	33,800	650,650
Pacific Gas & Electric Co., Ser. I	34,800	669,030
		2,758,550
<i>Total Preferred Stocks (cost \$13,197,885)</i>		12,939,169
<b>UNIT INVESTMENT TRUST 0.2%</b>		
Kayne Anderson MLP Investment Co. (cost \$375,000)	15,000	386,700
<b>SHORT-TERM INVESTMENTS 3.5%</b>		
<b>MUTUAL FUND SHARES 3.5%</b>		
Evergreen Institutional Money Market Fund ø μ	5,221,550	5,221,550
Navigator Prime Portfolio pp	1,362,500	1,362,500
		6,584,050
<b>Total Investments (cost \$242,882,584) 144.8%</b>		272,289,394
<b>Other Assets and Liabilities and Preferred Shares (44.8%)</b>		(84,295,291)
<b>Net Assets Applicable to Common Shareholders 100.0%</b>		\$ 187,994,103

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**EVERGREEN UTILITIES AND HIGH INCOME FUND**  
**SCHEDULE OF INVESTMENTS** continued

May 31, 2006 (unaudited)

p 144A	All or a portion of this security is on loan. Security that may be sold to qualified institutional buyers under Rule 144A of the Securities Act of 1933, as amended. This security has been determined to be liquid under guidelines established by the Board of Trustees, unless otherwise noted.
*	Non-income producing security All or a portion of this security has been segregated as collateral for reverse repurchase agreements.
μ	Security is valued at fair value as determined by the investment advisor in good faith, according to procedures approved by the Board of Trustees.
□	Security is deemed illiquid and is valued using market quotations when readily available.
+	Evergreen Investment Management Company, LLC is the investment advisor to both the Fund and the money market fund.
ø	

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bb Represents investment of cash collateral received from securities on loan.

### Summary of Abbreviations

ADR American Depository Receipt

The following table shows the percent of total long-term investments by geographic location as of May 31, 2006:

United States	85.0%
United Kingdom	9.3%
Germany	3.5%
Canada	1.2%
France	1.0%
	100.0%

At May 31, 2006, the Fund had the following open interest rate swap agreement:

Expiration	Notional Amount	Counterparty	Cash Flows Paid by the Fund	Cash Flows Received by the Fund	Unrealized Gain
11/16/2007	\$43,000,000	Royal Bank of Scotland Greenwich Capital	Fixed-3.525%	Floating-5.08%	\$1,163,077

At May 31, 2006, reverse repurchase agreements outstanding were as follows:

Principal Amount	Counterparty	Interest Rate	Maturity Date
\$11,125,563	Lehman Brothers	5.58%	07/17/2006

On May 31, 2006, the aggregate cost of securities for federal income tax purposes was \$243,388,131. The gross unrealized appreciation and depreciation on securities based on tax cost was \$38,726,264 and \$9,825,001, respectively, with a net unrealized appreciation of \$28,901,263.

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### Item 2 Controls and Procedures

- (a) The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) within 90 days of this filing and have concluded that the registrant's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the registrant in this Form N-Q was recorded, processed, summarized, and reported timely.
- (b) There has been no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting.

**Item 3 Exhibits**

File the exhibits listed below as part of this Form. Letter or number the exhibits in the sequence indicated.

- (a) Separate certifications for the registrant's principal executive officer and principal financial officer, as required by Rule 30a-2(a) under the Investment Company Act of 1940, are attached as EX-99.CERT.

**SIGNATURES**

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

Evergreen Utilities and High Income Fund

By: /s/ Dennis H. Ferro  
Dennis H. Ferro,  
Principal Executive Officer  
Date: July 28, 2006

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

By: /s/ Dennis H. Ferro  
Dennis H. Ferro,  
Principal Executive Officer  
Date: July 28, 2006

By: /s/ Kasey Phillips  
Kasey Phillips  
Principal Financial Officer  
Date: July 28, 2006