

TORTOISE ENERGY INFRASTRUCTURE CORP

Form N-Q

April 23, 2009

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 **811-21462**

Tortoise Energy Infrastructure Corporation
(Exact name of registrant as specified in charter)

11550 Ash Street, Suite 300, Leawood, KS 66211
(Address of principal executive offices) (Zip code)

David J. Schulte
11550 Ash Street, Suite 300, Leawood, KS 66211
(Name and address of agent for service)

913-981-1020
Registrant's telephone number, including area code

Date of fiscal year end: **November 30**

Date of reporting period: **February 28, 2009**

Item 1. Schedule of Investments.**Tortoise Energy Infrastructure Corporation**
SCHEDULE OF INVESTMENTS (Unaudited)

| | February 28, 2009 | |
|--|--------------------------|-------------------|
| | Shares | Fair Value |
| Master Limited Partnerships and Related Companies - 161.8% ⁽¹⁾ | | |
| Crude/Refined Products Pipelines - 82.1% ⁽¹⁾ | | |
| United States - 82.1% ⁽¹⁾ | | |
| Buckeye Partners, L.P. | 415,074 | \$ 16,395,423 |
| Enbridge Energy Partners, L.P. | 713,745 | 20,320,320 |
| Enbridge Energy Partners, L.P. ^{(2) (3)} | 1,112,021 | 31,403,487 |
| Holly Energy Partners, L.P. | 417,370 | 10,634,588 |
| Kinder Morgan Management, LLC ⁽³⁾ | 1,501,120 | 62,626,726 |
| Magellan Midstream Partners, L.P. | 1,763,298 | 56,072,876 |
| NuStar Energy L.P. | 1,023,389 | 47,219,168 |
| NuStar GP Holdings, LLC | 131,228 | 2,486,771 |
| Plains All American Pipeline, L.P. | 1,290,831 | 49,748,627 |
| SemGroup Energy Partners, L.P. | 342,162 | 940,946 |
| Sunoco Logistics Partners L.P. | 848,733 | 46,671,828 |
| TEPPCO Partners, L.P. | 516,918 | 11,765,054 |
| | | 356,285,814 |
| Natural Gas/Natural Gas Liquids Pipelines - 50.6% ⁽¹⁾ | | |
| United States - 50.6% ⁽¹⁾ | | |
| Boardwalk Pipeline Partners, LP | 939,693 | 19,827,522 |
| El Paso Pipeline Partners, L.P. | 1,061,700 | 18,717,771 |
| El Paso Pipeline Partners, L.P. ⁽²⁾ | 291,000 | 5,104,140 |
| Energy Transfer Equity, L.P. | 557,310 | 10,939,995 |
| Energy Transfer Partners, L.P. | 1,537,995 | 55,690,799 |
| Enterprise GP Holdings L.P. | 67,993 | 1,330,623 |
| Enterprise Products Partners L.P. | 2,038,861 | 43,998,620 |
| ONEOK Partners, L.P. | 182,821 | 7,746,126 |
| Spectra Energy Partners, LP | 445,470 | 9,880,525 |
| TC PipeLines, LP | 1,271,206 | 32,886,099 |
| Williams Pipeline Partners L.P. | 836,875 | 13,272,838 |
| | | 219,395,058 |
| Natural Gas Gathering/Processing - 16.2% ⁽¹⁾ | | |
| United States - 16.2% ⁽¹⁾ | | |
| Copano Energy, L.L.C. | 1,238,789 | 17,615,580 |
| Copano Energy, L.L.C. ^{(2) (4)} | 285,740 | 3,488,885 |
| Crosstex Energy, L.P. | 36,480 | 126,221 |
| Crosstex Energy, L.P. ^{(2) (4)} | 193,767 | 697,561 |
| DCP Midstream Partners, LP | 406,850 | 4,385,843 |
| Duncan Energy Partners L.P. | 392,298 | 6,398,380 |
| Exterran Partners, L.P. | 322,193 | 3,946,864 |
| MarkWest Energy Partners, L.P. | 2,201,640 | 23,689,646 |
| Targa Resources Partners LP | 321,426 | 2,719,264 |
| Western Gas Partners LP | 205,075 | 3,008,450 |

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| | | |
|--|------------|--------------------|
| Williams Partners L.P. | 373,900 | 4,094,205 |
| | | 70,170,899 |
| Propane Distribution - 9.9% ⁽¹⁾ | | |
| United States - 9.9% ⁽¹⁾ | | |
| Inergy, L.P. | 1,846,374 | 41,580,343 |
| Inergy Holdings, L.P. | 49,715 | 1,386,054 |
| | | 42,966,397 |
| Shipping - 3.0% ⁽¹⁾ | | |
| Republic of the Marshall Islands - 0.7% ⁽¹⁾ | | |
| Teekay LNG Partners L.P. | 156,200 | 2,875,642 |
| United States - 2.3% ⁽¹⁾ | | |
| K-Sea Transportation Partners L.P. | 596,470 | 9,961,049 |
| | | 12,836,691 |
| Total Master Limited Partnerships and Related Companies (Cost \$658,216,629) | | 701,654,859 |
| Short-Term Investments - 3.7% ⁽¹⁾ | | |
| United States Investment Companies - 3.7% ⁽¹⁾ | | |
| First American Government Obligations Fund - Class Y, 0.27% ⁽⁵⁾ | 2,046,309 | 2,046,309 |
| Merrill Lynch Premier Institutional Fund, 0.94% ⁽⁵⁾ | 14,004,493 | 14,004,493 |
| Total Short-Term Investments (Cost \$16,050,802) | | 16,050,802 |
| Total Investments - 165.5% ⁽¹⁾ (Cost \$674,267,431) | | 717,705,661 |

| | |
|---|----------------|
| Liabilities in Excess of Cash and Other Assets - (10.2%) ⁽¹⁾ | (44,007,802) |
| Long-Term Debt Obligations - (39.2%) ⁽¹⁾ | (170,000,000) |
| Preferred Shares at Redemption Value - (16.1%) ⁽¹⁾ | (70,000,000) |
| Total Net Assets Applicable to Common Stockholders - 100.0% ⁽¹⁾ | \$ 433,697,859 |

(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) Restricted securities have been fair valued in accordance with procedures approved by the Board of Directors and have a total fair value of \$40,694,073, which represents 9.4% of net assets.

(3) Security distributions are paid-in-kind.

(4) Non-income producing.

(5) Rate indicated is the current yield as of February 28, 2009.

Various inputs are used in determining the value of the Company's investments. These inputs are summarized in the three broad levels listed below:

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, market corroborated inputs, etc.)

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following table provides the fair value measurements of applicable Company assets by level within the fair value hierarchy as of February 28, 2009. These assets are measured on a recurring basis.

| Description | Fair Value at February 28, 2009 | Fair Value Measurements at Reporting Date Using | | |
|-------------|---------------------------------|--|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments | \$ 717,705,661 | \$ 677,011,588 | \$ 36,507,627 | \$ 4,186,446 |

Fair Value Measurements Using Significant Unobservable

| | Inputs (Level 3) for Investments For the period from December 1, 2008 to February 28, 2009 |
|---|---|
| Fair value beginning balance | \$ 3,924,726 |
| Total unrealized gains included in net increase in net assets applicable to common stockholders | 261,720 |
| Net purchases, issuances and settlements | - |
| Return of capital adjustments impacting cost basis of security | - |
| Transfers into Level 3 | - |
| Fair value ending balance | \$ 4,186,446 |

The Company utilizes the beginning of reporting period method for determining transfers into or out of Level 3. Accordingly, this method is the basis for presenting the rollforward in the preceding table. Under this method, the fair value of the asset at the beginning of the period will be disclosed as a transfer into or out of Level 3, gains or losses for an asset that transfers into Level 3 during the period will be included in the reconciliation, and gains or losses for an asset that transfers out of Level 3 will be excluded from the reconciliation.

Certain of the Company's investments are restricted and are valued as determined in accordance with procedures established by the Board of Directors. The table below shows the number of units held, acquisition date, acquisition cost, fair value per share and percent of net assets which the securities comprise at February 28, 2009.

| Investment Security | | Number of | Acquisition | Acquisition | Fair Value | Fair Value as Percent of Net |
|---------------------------------|-----------------------------|-----------|-------------|--------------|------------|---------------------------------------|
| | | Shares | Date | Cost | Per Share | Assets |
| Copano Energy, L.L.C. | Class D Common Units | 285,740 | 3/14/08 | \$ 7,500,675 | \$ 12.21 | 0.8% |
| Crosstex Energy, L.P. | Series D Subordinated Units | 193,767 | 3/23/07 | 5,000,002 | 3.60 | 0.2 |
| El Paso Pipeline Partners, L.P. | Common Units | 291,000 | 9/30/08 | 4,999,962 | 17.54 | 1.2 |
| Enbridge Energy Partners, L.P. | Class C Common Units | 1,112,021 | 4/02/07 | 50,000,000 | 28.24 | 7.2 |
| | | | | \$67,500,639 | | 9.4% |

As of February 28, 2009, the aggregate cost of securities for federal income tax purposes was \$583,453,274. At February 28, 2009, the aggregate gross unrealized appreciation for all securities in which there was an excess of fair value over tax cost was \$175,497,269, the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over fair value was \$41,244,882 and the net unrealized appreciation was \$134,252,387.

Item 2. Controls and Procedures.

- (a) The registrant's President and Chief Executive Officer and its Chief Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended.
- (b) There was no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

Separate certifications for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) are filed herewith.

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.

Tortoise Energy Infrastructure Corporation

Date: April 22, 2009

By: /s/ David J. Schulte
David J. Schulte
President and Chief Executive
Officer

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.

Tortoise Energy Infrastructure Corporation

Date: April 22, 2009

By: /s/ David J. Schulte
David J. Schulte
President and Chief Executive
Officer

Tortoise Energy Infrastructure Corporation

Date: April 22, 2009

By: /s/ Terry Matlack
Terry Matlack
Chief Financial Officer