

TORTOISE PIPELINE & ENERGY FUND, INC.  
Form N-Q  
October 30, 2012

---

---

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 811-22585

Tortoise Pipeline & Energy Fund, Inc.  
(Exact name of registrant as specified in charter)

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

Terry C. Matlack  
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: August 31, 2012



## Item 1. Schedule of Investments.

Tortoise Pipeline & Energy Fund, Inc.  
SCHEDULE OF INVESTMENTS (Unaudited)

|   | August 31, 2012 |              |
|---|-----------------|--------------|
|   | Shares          | Fair Value   |
| Common Stock - 88.0% (1)                    |                 |              |
| Crude/Refined Products Pipelines - 9.2% (1) |                 |              |
| Canada - 5.7% (1)                           |                 |              |
| Enbridge Inc.                               | 251,050         | \$ 9,896,391 |
| Pembina Pipeline Corporation                | 168,800         | 4,575,537    |
| United States - 3.5% (1)                    |                 |              |
| Kinder Morgan, Inc.                         | 244,250         | 8,736,822    |
|   |                 | 23,208,750   |
| Local Distribution Companies - 12.8% (1)    |                 |              |
| United States - 12.8% (1)                   |                 |              |
| CenterPoint Energy, Inc.                    | 728,600         | 14,856,154   |
| NiSource Inc.                               | 716,914         | 17,449,687   |
|   |                 | 32,305,841   |
| Marine Transportation - 2.5% (1)            |                 |              |
| Republic of the Marshall Islands - 2.5% (1) |                 |              |
| Teekay Offshore Partners L.P.               | 223,330         | 6,340,339    |
| Natural Gas Gathering Pipelines - 3.3% (1)  |                 |              |
| United States - 3.3% (1)                    |                 |              |
| Targa Resources Corp.                       | 181,505         | 8,216,731    |
| Natural Gas Pipelines - 38.5% (1)           |                 |              |
| Canada - 7.2% (1)                           |                 |              |
| Keyera Corp.                                | 17,550          | 801,167      |
| TransCanada Corporation                     | 386,051         | 17,399,319   |
| United States - 31.3% (1)                   |                 |              |
| EQT Corporation                             | 13,000          | 701,480      |
| National Fuel Gas Company                   | 13,400          | 668,660      |
| ONEOK, Inc.                                 | 396,000         | 17,633,880   |
| Questar Corporation                         | 330,750         | 6,532,312    |
| Spectra Energy Corp                         | 820,106         | 23,176,196   |
| Williams Companies, Inc.                    | 930,500         | 30,027,235   |
|   |                 | 96,940,249   |
| Oil and Gas Production - 20.5% (1)(2)       |                 |              |
| Canada - 1.1% (1)                           |                 |              |
| Canadian Natural Resources Limited          | 93,900          | 2,854,560    |
| United Kingdom - 1.2% (1)                   |                 |              |
| BP p.l.c. (ADR)                             | 70,200          | 2,952,612    |
| United States - 18.2% (1)                   |                 |              |
| Anadarko Petroleum Corporation              | 64,000          | 4,433,280    |
| Apache Corporation                          | 50,900          | 4,364,675    |
| Chevron Corporation                         | 13,300          | 1,491,728    |
| Continental Resources, Inc. (3)             | 40,400          | 2,992,024    |

Edgar Filing: TORTOISE PIPELINE & ENERGY FUND, INC. - Form N-Q

|   |         |                    |
|---|---------|--------------------|
| Denbury Resources Inc. (3)  | 190,800 | 2,955,492          |
| Devon Energy Corporation  | 51,100  | 2,955,113          |
| EOG Resources, Inc.   | 27,100  | 2,934,930          |
| Exxon Mobil Corporation   | 16,900  | 1,475,370          |
| Hess Corporation  | 60,200  | 3,041,906          |
| Marathon Oil Corporation  | 165,100 | 4,593,082          |
| Noble Energy, Inc.  | 33,300  | 2,927,070          |
| Occidental Petroleum Corporation  | 50,400  | 4,284,504          |
| Pioneer Natural Resources Company   | 45,200  | 4,400,672          |
| Range Resources Corporation   | 43,700  | 2,848,803          |
|   |         | 51,505,821         |
| Oilfield Services - 1.2% (1)(2)   |         |                    |
| United Kingdom - 1.2% (1)   |         |                    |
| Enscoc plc (ADR)  | 52,800  | 3,029,136          |
| <b>Total Common Stock (Cost \$208,206,739)</b>  |         | <b>221,546,867</b> |
| <b>Master Limited Partnerships and Related Companies - 44.1%</b>                        |         |                    |
| (1)   |         |                    |
| Crude/Refined Products Pipelines - 22.2% (1)  |         |                    |
| United States - 22.2% (1)   |         |                    |
| Buckeye Partners, L.P.  | 65,100  | 3,217,242          |
| Enbridge Energy Management, L.L.C. (4)  | 449,759 | 14,000,983         |
| Holly Energy Partners, L.P.   | 58,100  | 3,913,035          |
| Kinder Morgan Management, LLC (4)   | 244,822 | 18,146,239         |
| Magellan Midstream Partners, L.P.   | 48,320  | 4,009,111          |
| Plains All American Pipeline, L.P.  | 120,200 | 10,400,906         |
| Sunoco Logistics Partners L.P.  | 45,800  | 2,136,570          |
|   |         | 55,824,086         |
| Natural Gas/Natural Gas Liquids Pipelines - 15.8% (1)                                   |         |                    |
| United States - 15.8% (1)   |         |                    |
| Energy Transfer Partners, L.P.  | 179,900 | 7,685,328          |
| Enterprise Products Partners L.P.   | 175,093 | 9,349,966          |
| Inergy Midstream, L.P.  | 82,000  | 1,910,600          |
| ONEOK Partners, L.P.  | 96,200  | 5,466,084          |
| Regency Energy Partners LP  | 219,600 | 5,081,544          |
| TC PipeLines, LP  | 68,000  | 3,088,560          |
| Williams Partners L.P.  | 141,800 | 7,314,044          |
|   |         | 39,896,126         |
| Natural Gas Gathering/Processing - 6.1% (1)   |         |                    |
| United States - 6.1% (1)  |         |                    |
| Access Midstream Partners, L.P.   | 119,700 | 3,606,561          |
| Copano Energy, L.L.C.   | 48,265  | 1,481,253          |
| DCP Midstream Partners, LP  | 36,350  | 1,568,139          |
| MarkWest Energy Partners, L.P.  | 59,850  | 3,178,035          |
| Targa Resources Partners LP   | 84,825  | 3,437,109          |
| Western Gas Partners LP   | 42,905  | 2,048,714          |
|   |         | 15,319,811         |
| <b>Total Master Limited Partnerships and Related Companies<br/>(Cost \$100,418,541)</b> |         | <b>111,040,023</b> |

Edgar Filing: TORTOISE PIPELINE & ENERGY FUND, INC. - Form N-Q

|  |         |                |
|--|---------|----------------|
| Short-Term Investment - 0.1% (1)   |         |                |
| United States Investment Company - 0.1% (1)  |         |                |
| Fidelity Institutional Money Market Portfolio - Class I,<br>0.16% (5) (Cost \$119,204) | 119,204 | 119,204        |
| Total Investments - 132.2% (1) (Cost \$308,744,484)                                    |         | 332,706,094    |
| Long-Term Debt Obligations - (19.5%) (1)   |         | (49,000,000 )  |
| Mandatory Redeemable Preferred Stock at Liquidation Value<br>- (6.4%) (1)              |         | (16,000,000 )  |
| Total Value of Options Written (Premiums received<br>\$698,522) - (0.1%) (1)           |         | (303,626 )     |
| Other Assets and Liabilities - (6.2%) (1)  |         | (15,654,466 )  |
| Total Net Assets Applicable to Common Stockholders -<br>100.0% (1)                     |         | \$ 251,748,002 |

- |     |  |
|-----|--|
| (1) | Calculated as a percentage of net assets applicable to common stockholders.                      |
| (2) | All or a portion of the security represents cover for outstanding call option contracts written. |
| (3) | Non-income producing security.   |
| (4) | Security distributions are paid-in-kind.   |
| (5) | Rate indicated is the current yield as of August 31, 2012.                                       |

Key to abbreviation

ADR = American Depository Receipts

Tortoise Pipeline & Energy Fund, Inc.  
 SCHEDULE OF OPTIONS WRITTEN (Unaudited)  
 August 31, 2012

| Call Options Written  | Expiration Date | Strike Price | Contracts | Fair Value   |
|---|-----------------|--------------|-----------|--------------|
| Anadarko Petroleum Corporation                                    | September 2012  | \$ 72.50     | 80        | \$ (5,600)   |
| Anadarko Petroleum Corporation                                    | September 2012  | 75.00        | 560       | (12,880)     |
| Apache Corporation  | September 2012  | 92.50        | 509       | (9,162)      |
| BP p.l.c. (ADR)   | September 2012  | 44.00        | 702       | (14,742)     |
| Canadian Natural Resources Limited                                | September 2012  | 34.00        | 939       | (9,390)      |
| Chevron Corporation   | September 2012  | 120.00       | 133       | (931)        |
| Continental Resources, Inc.                                       | September 2012  | 80.00        | 404       | (28,280)     |
| Denbury Resources Inc.  | September 2012  | 17.00        | 1,908     | (28,620)     |
| Devon Energy Corporation  | September 2012  | 62.50        | 511       | (7,154)      |
| Enesco plc (ADR)  | September 2012  | 60.00        | 528       | (14,784)     |
| EOG Resources, Inc.   | September 2012  | 115.00       | 271       | (29,810)     |
| Exxon Mobil Corporation   | September 2012  | 92.50        | 169       | (1,014)      |
| Hess Corporation  | September 2012  | 52.50        | 602       | (38,528)     |
| Marathon Oil Corporation  | September 2012  | 29.00        | 1,651     | (37,973)     |
| Noble Energy, Inc.  | September 2012  | 95.00        | 333       | (4,995)      |
| Occidental Petroleum Corporation                                  | September 2012  | 92.50        | 504       | (6,048)      |
| Pioneer Natural Resources Company                                 | September 2012  | 105.00       | 452       | (38,420)     |
| Range Resources Corporation                                       | September 2012  | 72.50        | 437       | (15,295)     |
| Total Value of Call Options Written (Premiums received \$698,522) |                 |              |           | \$ (303,626) |

Key to abbreviation  
 ADR = American Depository  
 Receipts

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 and liabilities by level within the fair value hierarchy as of August 31, 2012. These assets and liabilities are measured on a recurring basis.

| Description  | Fair Value at<br>August 31,<br>2012 | Level 1              | Level 2    | Level 3    |
|--|-------------------------------------|----------------------|------------|------------|
| <b>Assets</b>  |                                     |                      |            |            |
| <b>Equity Securities:</b>                            |                                     |                      |            |            |
| Common Stock(a)                                      | \$221,546,867                       | \$221,546,867        | \$-        | \$-        |
| Master Limited Partnerships and Related Companies(a) | 111,040,023                         | 111,040,023          | -          | -          |
| <b>Total Equity Securities</b>                       | <b>332,586,890</b>                  | <b>332,586,890</b>   | <b>-</b>   | <b>-</b>   |
| <b>Other:</b>  |                                     |                      |            |            |
| Short-Term Investment(b)                             | 119,204                             | 119,204              | -          | -          |
| <b>Total Assets</b>                                  | <b>\$332,706,094</b>                | <b>\$332,706,094</b> | <b>\$-</b> | <b>\$-</b> |
| <b>Liabilities</b>                                   |                                     |                      |            |            |
| Written Call Options                                 | \$303,626                           | \$303,626            | \$-        | \$-        |

(a) All other industry classifications are identified in the Schedule of Investments.

(b) Short-term investment is a sweep investment for cash balances in the Company at August 31, 2012.

The Company did not hold any Level 3 securities during the period ended August 31, 2012.

#### Valuation Techniques

In general, and where applicable, the Company uses readily available market quotations based upon the last updated sales price from the principal market to determine fair value. This pricing methodology applies to the Company's Level 1 investments and liabilities.

An equity security of a publicly traded company acquired in a private placement transaction without registration under the Securities Act of 1933, as amended (the "1933 Act"), is subject to restrictions on resale that can affect the security's fair value. If such a security is convertible into publicly-traded common shares, the security generally will be valued at the common share market price adjusted by a percentage discount due to the restrictions and categorized as Level 2 in the fair value hierarchy. If the security has characteristics that are dissimilar to the class of security that trades on the open market, the security will generally be valued and categorized as Level 3 in the fair value hierarchy.

The Company utilizes the beginning of reporting period method for determining transfers between levels. For the period from December 1, 2011 through August 31, 2012, Teekay Offshore Partners, L.P. common units in the amount of \$3,944,394 were transferred from Level 2 to Level 1 when they converted into registered units and quoted prices in

active markets were available. There were no other transfers between levels.

As of August 31, 2012, the aggregate cost of securities for federal income tax purposes was \$307,817,269. The aggregate gross unrealized appreciation for all securities in which there was an excess of fair value over tax cost was \$31,459,294, the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over fair value was \$6,570,469 and the net unrealized appreciation was \$24,888,825.

---



Item 2. Controls and Procedures.

- (a)The registrant's 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 Pipeline & Energy Fund, Inc.

Date: October 29, 2012

By: /s/ Terry Matlack  
Terry Matlack  
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 Pipeline & Energy Fund, Inc.

Date: October 29, 2012

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

Tortoise Pipeline & Energy Fund, Inc.

Date: October 29, 2012

By: /s/ P. Bradley Adams  
P. Bradley Adams  
Chief Financial Officer