

TORTOISE PIPELINE & ENERGY FUND, INC.

Form N-Q

October 30, 2014

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

FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT
COMPANY

Investment Company Act file number 811-22585

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 Matlack
Diane Bono
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, 2014

Item 1. Schedule of Investments.

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

| | August 31, 2014 | |
|--|-----------------|---------------|
| | Shares | Fair Value |
| Common Stock - 81.4%(1) | | |
| Crude/Refined Products Pipelines - 9.2%(1) | | |
| Canada - 8.0%(1) | | |
| Enbridge Inc. | 268,300 | \$ 13,374,755 |
| Inter Pipeline Ltd. | 314,300 | 10,487,266 |
| Pembina Pipeline Corporation | 199,200 | 9,154,809 |
| United States - 1.2%(1) | | |
| Plains GP Holdings, L.P. | 153,000 | 4,721,580 |
| | | 37,738,410 |
| Local Distribution Companies - 9.3%(1) | | |
| United States - 9.3%(1) | | |
| CenterPoint Energy, Inc. | 499,000 | 12,395,160 |
| NiSource Inc. | 652,100 | 25,868,807 |
| | | 38,263,967 |
| Marine Transportation - 1.9%(1) | | |
| Republic of the Marshall Islands - 1.9%(1) | | |
| Teekay Offshore Partners L.P. | 223,330 | 7,870,149 |
| Natural Gas Gathering Pipelines - 5.7%(1) | | |
| United States - 5.7%(1) | | |
| Targa Resources Corp. | 166,600 | 23,249,030 |
| Natural Gas Pipelines - 38.4%(1) | | |
| Canada - 2.5%(1) | | |
| TransCanada Corporation | 187,700 | 10,094,506 |
| United States - 35.9%(1) | | |
| Kinder Morgan, Inc. | 138,500 | 5,576,010 |
| ONEOK, Inc. | 625,754 | 43,927,931 |
| Spectra Energy Corp. | 1,017,545 | 42,390,925 |
| Williams Companies, Inc. | 932,500 | 55,427,800 |
| | | 157,417,172 |
| Oil and Gas Production - 15.0%(1) | | |
| United States - 15.0%(1) | | |
| Anadarko Petroleum Corporation(2) | 38,299 | 4,315,914 |
| Antero Resources Corporation(2)(3) | 24,900 | 1,440,465 |
| Cabot Oil & Gas Corporation(2) | 108,000 | 3,622,320 |
| Carrizo Oil & Gas, Inc.(2)(3) | 16,800 | 1,053,696 |
| Chesapeake Energy Corporation(2) | 59,800 | 1,626,560 |
| Cimarex Energy Co.(2) | 22,000 | 3,193,520 |
| Concho Resources Inc.(2)(3) | 34,900 | 4,957,196 |
| Continental Resources, Inc.(2)(3) | 36,800 | 5,935,472 |
| Eclipse Resources Corporation(3) | 41,614 | 761,120 |
| EOG Resources, Inc.(2) | 53,700 | 5,900,556 |

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| | | |
|--|---------|-------------|
| Hess Corporation(2) | 13,300 | 1,344,630 |
| Marathon Oil Corporation(2) | 120,800 | 5,036,152 |
| Newfield Exploration Company(2)(3) | 71,000 | 3,182,220 |
| Noble Energy, Inc.(2) | 44,400 | 3,203,016 |
| Occidental Petroleum Corporation(2) | 31,400 | 3,257,122 |
| Pioneer Natural Resources Company(2) | 27,700 | 5,779,605 |
| Range Resources Corporation(2) | 50,200 | 3,945,218 |
| Rice Energy Inc.(2)(3) | 38,520 | 1,127,866 |
| Whiting Petroleum Corporation(2)(3) | 20,200 | 1,871,732 |
| | | 61,554,380 |
| Power/Utility - 1.9%(1) | | |
| United States - 1.9%(1) | | |
| NRG Yield, Inc. | 145,100 | 7,891,989 |
| | | |
| Total Common Stock (Cost \$216,541,291) | | 333,985,097 |
| Master Limited Partnerships and Related Companies - | | |
| 40.9%(1) | | |
| Crude/Refined Products Pipelines - 17.4%(1) | | |
| United States - 17.4%(1) | | |
| Buckeye Partners, L.P. | 83,000 | 6,557,000 |
| Enbridge Energy Management, L.L.C.(4) | 588,254 | 21,071,269 |
| Genesis Energy L.P. | 18,700 | 1,041,590 |
| Magellan Midstream Partners, L.P. | 93,000 | 7,805,490 |
| MPLX LP | 102,268 | 6,238,348 |
| Oiltanking Partners, L.P. | 25,600 | 1,256,704 |
| Phillips 66 Partners LP | 59,100 | 4,373,400 |
| Plains All American Pipeline, L.P. | 194,400 | 11,650,392 |
| Rose Rock Midstream, L.P. | 28,714 | 1,751,267 |
| Sunoco Logistics Partners L.P. | 148,800 | 7,362,624 |
| Tesoro Logistics LP | 16,700 | 1,173,676 |
| Valero Energy Partners LP | 23,059 | 1,229,275 |
| | | 71,511,035 |
| Natural Gas/Natural Gas Liquids Pipelines - 16.2%(1) | | |
| United States - 16.2%(1) | | |
| Crestwood Midstream Partners LP | 165,333 | 3,862,179 |
| Energy Transfer Partners, L.P. | 177,700 | 10,208,865 |
| Enterprise Products Partners L.P. | 326,400 | 13,261,632 |
| Kinder Morgan Management, LLC(4) | 264,264 | 25,823,874 |
| ONEOK Partners, L.P. | 48,900 | 2,906,127 |
| Regency Energy Partners LP | 189,149 | 6,238,134 |
| Williams Partners L.P. | 75,200 | 3,986,352 |
| | | 66,287,163 |
| Natural Gas Gathering/Processing - 7.3%(1) | | |
| United States - 7.3%(1) | | |
| Access Midstream Partners, L.P. | 76,928 | 4,950,317 |
| DCP Midstream Partners, LP | 97,900 | 5,539,182 |
| EnLink Midstream Partners, L.P. | 55,955 | 1,734,045 |
| MarkWest Energy Partners, L.P. | 87,300 | 6,960,429 |
| Targa Resources Partners LP | 70,000 | 5,208,000 |

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| | | |
|--|--------|----------------|
| Western Gas Equity Partners, LP | 46,500 | 2,787,675 |
| Western Gas Partners LP | 36,300 | 2,812,887 |
| | | 29,992,535 |
| Total Master Limited Partnerships and Related Companies (Cost \$106,284,525) | | |
| | | 167,790,733 |
| Short-Term Investment - 0.0%(1) | | |
| United States Investment Company - 0.0%(1) | | |
| Fidelity Institutional Money Market Portfolio - Class I, 0.05%(5) (Cost \$83,492) | 83,492 | 83,492 |
| Total Investments - 122.3%(1) (Cost \$322,909,308) | | |
| | | 501,859,322 |
| Senior Notes - (11.9%)(1) | | (49,000,000) |
| Mandatory Redeemable Preferred Stock at Liquidation Value - (3.9%)(1) | | (16,000,000) |
| Total Value of Options Written (Premiums received \$620,141) - (0.4%)(1) | | (1,483,825) |
| Other Assets and Liabilities - (6.1%)(1) | | (24,970,344) |
| Total Net Assets Applicable to Common Stockholders - 100.0%(1) | | \$ 410,405,153 |

- (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, 2014.

Tortoise Pipeline & Energy Fund, Inc.
SCHEDULE OF OPTIONS WRITTEN (Unaudited)
August 31, 2014

| Call Options Written | Expiration Date | Strike Price | Contracts | Fair Value |
|---|-----------------|--------------|-----------|----------------|
| Anadarko Petroleum Corporation | September 2014 | \$ 115.00 | 382 | \$ (63,030) |
| Antero Resources Corporation | September 2014 | 60.00 | 249 | (13,073) |
| Cabot Oil & Gas Corporation | September 2014 | 35.00 | 1,080 | (16,200) |
| Carrizo Oil & Gas, Inc. | September 2014 | 62.50 | 168 | (31,920) |
| Chesapeake Energy Corporation | September 2014 | 27.00 | 598 | (41,262) |
| Cimarex Energy Co. | September 2014 | 145.00 | 220 | (74,800) |
| Concho Resources Inc. | September 2014 | 140.00 | 349 | (163,332) |
| Continental Resources, Inc. | September 2014 | 150.00 | 368 | (429,088) |
| EOG Resources, Inc. | September 2014 | 110.00 | 537 | (107,937) |
| Hess Corporation | September 2014 | 105.00 | 133 | (3,857) |
| Marathon Oil Corporation | September 2014 | 41.00 | 1,208 | (134,088) |
| Newfield Exploration Company | September 2014 | 43.00 | 710 | (159,750) |
| Noble Energy, Inc. | September 2014 | 75.00 | 444 | (17,760) |
| Occidental Petroleum Corporation | September 2014 | 105.00 | 314 | (19,782) |
| Pioneer Natural Resources Company | September 2014 | 215.00 | 277 | (48,475) |
| Range Resources Corporation | September 2014 | 80.00 | 502 | (50,200) |
| Rice Energy Inc. | September 2014 | 30.00 | 385 | (28,875) |
| Whiting Petroleum Corporation | September 2014 | 90.00 | 202 | (80,396) |
| Total Value of Call Options Written (Premiums received \$620,141) | | | | \$ (1,483,825) |

Various inputs are used in determining the fair value of the Company's financial instruments. 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, 2014. These assets and liabilities are measured on a recurring basis.

| Description | Fair Value at August 31, 2014 | Level 1 | Level 2 | Level 3 |
|--|-------------------------------|----------------------|------------|------------|
| Assets | | | | |
| Equity Securities: | | | | |
| Common Stock (a) | \$333,985,097 | \$333,985,097 | \$- | \$- |
| Master Limited Partnerships and Related Companies(a) | 167,790,733 | 167,790,733 | - | - |
| Total Equity Securities | 501,775,830 | 501,775,830 | - | - |
| Other Securities: | | | | |
| Short-Term Investment(b) | 83,492 | 83,492 | - | - |
| Total Assets | \$501,859,322 | \$501,859,322 | \$- | \$- |
| Liabilities | | | | |
| Written Call Options | \$1,483,825 | \$1,483,825 | \$- | \$- |

(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, 2014.

The Company did not hold any Level 3 securities during the period ended August 31, 2014. The Company utilizes the beginning of reporting period method for determining transfers between levels. There were no transfers between levels during the period ended August 31, 2014.

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.

Exchange-traded options are valued at the mean of the highest bid and lowest asked prices across all option exchanges.

As of August 31, 2014, the aggregate cost of securities for federal income tax purposes was \$308,845,383. The aggregate gross unrealized appreciation for all securities in which there was an excess of fair value over tax cost was \$193,832,022, the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over fair value was \$818,083 and the net unrealized appreciation was \$193,013,939.

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 30, 2014

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 30, 2014

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

Tortoise Pipeline & Energy Fund, Inc.

Date: October 30, 2014

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