TORTOISE ENERGY INFRASTRUCTURE CORP
Form 497
August 07, 2006

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Filed pursuant to Rule 497(c) under the Securities Act of 1933, as amended. File No. 333-131204.

Subject to Completion
Preliminary Prospectus Supplement dated August 4, 2006

PROSPECTUS SUPPLEMENT
(To prospectus dated June 23, 2006)

Shares

Tortoise Energy
Infrastructure Corporation

Common Stock

We are offering approximately 1,670,000 shares of our common stock. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships (MLPs) in the energy infrastructure sector. Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. We are a nondiversified, closed-end management investment company. This prospectus supplement, together with the accompanying prospectus dated June 23, 2006 sets forth the information that you should know before investing.

Our currently outstanding shares of common stock are, and the shares offered in this prospectus supplement and accompanying prospectus will be, listed on the New York Stock Exchange under the symbol TYG. The last reported sale price of our common stock on August 3, 2006 was $30.30 per share. The net asset value per share of our common stock (NAV) at the close of business on August 3, 2006 was $29.98.

Investing in our common stock involves risks that are described in the Risk Factors section beginning on page 26 of the accompanying prospectus.

	Per Share	Total[(1)]
Public offering price	$	$

Underwriting discount	$	$
Proceeds, before expenses, to us[1]	$	$

(1) The aggregate expenses of the offering are estimated to be $

The underwriters also may purchase up to an additional shares from us at the public offering price, less the underwriting discount, within 45 days from the date of this prospectus supplement to cover over-allotments. If the underwriters exercise their entire over-allotment option, the total public offering price will be $ and the total underwriting discount will be $. The proceeds to us would be $, before deducting offering expenses.

Neither the Securities and Exchange Commission nor any State Securities Commission has approved or disapproved of these securities or determined if this prospectus supplement or accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2006.

Joint Book-Running Managers

Merrill Lynch & Co. **Stifel Nicolaus**

Lehman Brothers

A.G. Edwards **Oppenheimer & Co.** **RBC Capital Markets**

BB&T Capital Markets **Morgan Keegan & Company, Inc.**

The date of this prospectus supplement is , 2006.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and in the statement of additional information. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not making an offer of these securities where the offer is not permitted. The information appearing in this prospectus supplement, the accompanying prospectus and in the statement of additional information is accurate only as of

the dates on their covers. Our business, financial condition and prospects may have changed since such dates. We will advise investors of any material changes to the extent required by applicable law.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the statement of additional information contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the 1933 Act) and Section 21E of the Securities and Exchange Act of 1934, as amended (the 1934 Act). Forward-looking statements can be identified by the words may, will, intend, expect, estimate, continue, plan, anticipate, terms and the negative of such terms. Such forward-looking statements may be contained in this prospectus supplement as well as in the accompanying prospectus. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect our actual results are the performance of the portfolio of securities we hold, the conditions in the U.S. and international financial, petroleum and other markets, the price at which our shares will trade in the public markets and other factors discussed in our periodic filings with the Securities and Exchange Commission (the SEC).

Although we believe that the expectations expressed in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the Risk Factors section of the prospectus accompanying this prospectus supplement. All forward-looking statements contained or incorporated by reference in this prospectus supplement or the accompanying prospectus are made as of the date of this prospectus supplement or the accompanying prospectus, as the case may be. Except for our ongoing obligations under the federal securities laws, we do not intend, and we undertake no obligation, to update any forward-looking statement.

Currently known risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the factors described in the Risk Factors section of the prospectus accompanying this prospectus supplement. We urge you to review carefully that section for a more complex discussion of the risks of an investment in our common stock.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary contains basic information about us but does not contain all of the information that is important to your investment decision. You should read this summary together with the more detailed information contained elsewhere in this prospectus supplement and accompanying prospectus and in the statement of additional information, especially the information set forth under the heading Risk Factors beginning on page 26 of the accompanying prospectus.

The Company

We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships (MLPs) in the energy infrastructure sector. Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of our investment objective, total return includes capital appreciation of, and all distributions received from, securities in which we invest regardless of the tax character of the distributions. Similar to the tax characterization of distributions made by MLPs to unitholders, a significant portion of our distributions have been and are expected to continue to be treated as a return of capital to stockholders.

We are a nondiversified, closed-end management investment company. We commenced operations in February 2004 following our initial public offering. We were the first publicly traded investment company offering access to a portfolio of energy infrastructure MLPs. Since that time, we completed an additional offering of common stock in December 2004. We have $70 million of Money Market Cumulative Preferred (MMP®) Shares (MMP Shares) and $165 million of Auction Rate Senior Notes (Tortoise Notes) outstanding. We have a fiscal year ending November 30.

We expect to distribute substantially all of our distributable cash flow (DCF) to holders of common stock through quarterly distributions. DCF is the amount we receive as cash or paid-in-kind distributions from MLPs or their affiliates, and interest payments received on debt securities owned by us, less current or anticipated operating expenses, taxes on our taxable income, and leverage costs paid by us (including leverage costs of the Tortoise Notes and MMP Shares). Our Board of Directors adopted a policy to target distributions to common stockholders in an amount of at least 95% of DCF on an annual basis.

Investment Adviser

Tortoise Capital Advisors, L.L.C. (the Adviser) serves as our investment adviser. The Adviser specializes in managing portfolios of investments in MLPs and other energy infrastructure companies. The Adviser was formed in October 2002 to provide portfolio management services to institutional and high-net-worth investors seeking professional management of their MLP investments. As of July 31, 2006, the Adviser had approximately $1.8 billion of client assets under management. The Adviser s investment committee is comprised of five portfolio managers. See Management of the Company in the accompanying prospectus.

The Adviser also serves as the investment adviser to Tortoise Energy Capital Corporation (TYY) and Tortoise North American Energy Corporation (TYN), which are also publicly traded, closed-end management investment companies. TYY, which commenced operations on May 31, 2005, invests primarily in equity securities of MLPs and their affiliates in the energy infrastructure sector. TYN, which commenced operations on October 31, 2005, invests primarily in equity securities of companies in the energy sector whose primary operations are in North America. In December 2005, the Adviser began managing the investments of Tortoise Capital Resources Corporation, a private investment fund created to invest primarily in privately held and micro-cap public companies in the U.S. energy infrastructure sector.

The principal business address of the Adviser is 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210.

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The Offering

Common stock offered by the Company	shares
Shares outstanding after the offering	shares
Use of proceeds	We estimate that our net proceeds from this offering without exercise of the over-allotment option will be approximately $ million. We intend to use these net proceeds to: retire short-term debt of approximately $33 million which we incurred in connection with the acquisition of equity securities and certain open market purchases in pursuit of our investment objective and policies, and invest in energy infrastructure companies in accordance with our investment objective and policies.
Risk factors	See Risk Factors and other information included in the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
NYSE symbol	TYG

The number of shares outstanding after the offering assumes the underwriters over-allotment option is not exercised. If the over-allotment option is exercised in full, we will issue and sell an additional shares.

Recent Developments

On June 30, 2006, we acquired equity portfolio securities through a direct placement with Crosstex Energy, L.P. in the amount of $20 million. On July 26, 2006, we acquired equity portfolio securities through a direct placement with Plains All American Pipeline, L.P. in the amount of $12 million. These investments were funded by drawing on our unsecured credit facility.

On July 24, 2006, the Board of Directors approved an increase in the amount of credit available under our unsecured credit facility from $20 million to $60 million. As of the date of this prospectus supplement, our outstanding balance under the credit facility was approximately $33 million.

On July 24, 2006, the Board of Directors approved a policy permitting temporary increases in the amount of leverage we may use from 33% of total assets to up to 38% of total assets at the time of incurrence, provided that (i) such leverage is consistent with the limits set forth in the Investment Company Act of 1940, as amended, and (ii) such increased leverage is reduced over time in an orderly fashion.

On August 4, 2006, we declared a quarterly dividend of $0.51 per share to common stockholders of record on August 22, 2006, expected to be paid September 1, 2006. Investors in this offering will be entitled to receive the dividend provided that the offering is completed and the investor holds the stock on the record date.

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ISSUANCE BELOW NAV

Although the offering price per share is above our NAV as of , 2006, the per share proceeds to us net of the underwriting discount and offering costs will be below our NAV. Accordingly, the NAV of our currently outstanding shares of common stock will be diluted upon the issuance of shares offered hereby. At our Annual Meeting of Stockholders held on April 15, 2005, our stockholders granted us the authority to sell a limited number of shares of our common stock for less than NAV, subject to certain conditions. See Description of Securities Common Stock Issuance of Additional Shares in the accompanying prospectus.

The table below sets forth the estimated dilutive effect on our NAV to existing common stockholders following the completion of the offering.

Impact of Issuance of Common Shares Below NAV

Common shares outstanding as of , 2006 (prior to this offering)		14,980,127
Common shares issued below NAV pursuant to this offering		
Total common shares outstanding subsequent to this offering		
NAV per share as of , 2006	$	
Aggregate net asset value of all outstanding common shares based on NAV as of , 2006	$	
Aggregate net proceeds to the Company	$	
Expected aggregate net asset value of the Company immediately subsequent to this offering	$	
NAV per share subsequent to this offering	$	
Percentage dilution to pre-offering NAV		%

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $ million, after deducting the underwriters discount and our estimated offering expenses, or $ million if the underwriters exercise their over-allotment option in full.

We intend to use a portion of the net proceeds of this offering to retire short-term debt of approximately $33 million. We will invest the remaining net proceeds of this offering in accordance with our investment objective and policies as described under Investment Objective and Principal Investment Strategies in the accompanying prospectus and expect to be fully invested within approximately three months of receipt of such proceeds. Pending such investment, we anticipate that we will invest the proceeds in securities issued by the U.S. Government or its agencies or instrumentalities or in high quality, short-term or long-term debt obligations.

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CAPITALIZATION

The following table sets forth our capitalization as of May 31, 2006, pro forma as of May 31, 2006 to reflect the use of our line of credit, and pro forma as adjusted to give effect to the issuance of the common shares offered hereby. As indicated below, common stockholders will bear the offering costs associated with this offering.

	May 31, 2006 Actual (Unaudited)	May 31, 2006 Pro Forma (Unaudited)	Pro Forma As Adjusted (Unaudited)
Short-Term Debt:			
Unsecured line of credit facility; $60,000,000 available		$ 33,000,000	
Long-Term Debt:			
Tortoise Notes, denominations of $25,000 or any multiple thereof[1]	$ 165,000,000	$ 165,000,000	$ 165,000,000
Preferred Shares Outstanding:			
MMP Shares, $.001 par value per share, $25,000 stated value per share at liquidation; 10,000,000 shares authorized/2,800 shares issued[1]	$ 70,000,000	$ 70,000,000	$ 70,000,000
Net Assets Applicable to Common Stock:			
Capital Stock, $.001 par value per share; 100,000,000 shares authorized; 14,944,103 shares actually outstanding, 14,944,103 shares outstanding pro forma and shares outstanding pro forma as adjusted, respectively[1]	$ 14,944	$ 14,944	$
Additional paid-in capital	303,629,209	303,629,209[2]	[3][4]
Accumulated net investment loss, net of deferred tax benefit	(5,354,401)	(5,354,401)	
Undistributed realized gain, net of deferred tax expense	4,488,241	4,488,241	
Net unrealized gain on investments and interest rate swap contracts, net of deferred tax expense	129,299,230	129,299,230	
Net assets applicable to common stockholders	$ 432,077,223	$ 432,077,223	$

(1) None of these outstanding shares/notes are held by us or for our account.
(2) May 31, 2006 pro forma, additional paid-in capital, does not include the issuance of 36,024 common shares on June 1, 2006 pursuant to our automatic dividend reinvestment plan.
(3) Pro forma as adjusted, additional paid-in capital reflects the proceeds of the issuance of common shares offered hereby ($), less $.001 par value per share of common stock ($), the underwriting discount ($) and less the estimated offering costs ($) related to the issuance of common shares.
(4) Pro forma as adjusted, additional paid-in capital also reflects the issuance of 36,024 common shares on June 1, 2006 pursuant to our automatic dividend reinvestment plan ($), less $.001 par value per share of common stock ($).

UNDERWRITING

We intend to offer our common stock through the underwriters. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Stifel, Nicolaus & Company, Incorporated are acting as representatives of the underwriters named below. Subject to the terms and conditions described in a purchase agreement among us and the underwriters, we have agreed to sell to the underwriters, and the underwriters severally have agreed to purchase from us, the number of shares of common stock listed opposite their respective names below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Stifel, Nicolaus & Company, Incorporated	
Lehman Brothers Inc.	
A.G. Edwards & Sons, Inc.	
Oppenheimer & Co. Inc.	
RBC Capital Markets Corporation	
BB&T Capital Markets, a division of Scott & Stringfellow	
Morgan, Keegan & Company, Inc.	
Total	

Subject to the terms and conditions set forth in the purchase agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the purchase agreement if any of these shares are purchased. If an underwriter defaults, the purchase agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the purchase agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the 1933 Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities; provided that such indemnification shall not extend to any liability or action resulting from the gross negligence or willful misconduct of the underwriters.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the purchase agreement, such as the receipt by the underwriters of certain officer s certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price on the cover page of this prospectus supplement and to dealers at that price less a concession not in excess of $ per share. The underwriters may allow, and the dealers may reallow, a discount not in excess of $ per share to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of the overallotment option.

	Per Share	**Without Option**	**With Option**
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses, to us	$	$	$

The expenses of the offering, not including the underwriting discount, are estimated at $ and are payable by us.

Investors must pay for any shares purchased in this offering on or before , 2006.

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Over-allotment Option

We have granted an option to the underwriters to purchase up to additional shares at the public offering price less the underwriting discount. The underwriters may exercise this option for 45 days from the date of this prospectus supplement solely to cover any over-allotments. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the purchase agreement, to purchase a number of additional shares proportionate to that underwriter s initial amount reflected in the above table.

Lock-Up Agreement

We have agreed not to offer or sell any additional common stock for a period of 90 days after the date of the purchase agreement without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Stifel, Nicolaus & Company, Incorporated, except for the sale of common stock to the underwriters pursuant to the purchase agreement or common stock issued pursuant to our dividend reinvestment plan. Specifically, we have agreed, with certain limited exceptions, not to directly or indirectly

- offer, pledge, sell or contract to sell any common stock;
- sell any option or contract to purchase any common stock;
- purchase any option or contract to sell any common stock;
- grant any option, right or warrant for the sale of any common stock;
- lend or otherwise dispose of or transfer any common stock;
- request or demand that we file a registration statement related to the common stock; or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock, whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

New York Stock Exchange Listing

Our currently outstanding shares of common stock are, and the shares of common stock sold pursuant to this prospectus supplement and the accompanying prospectus will be, listed on the New York Stock Exchange under the symbol TYG.

Price Stabilization, Short Positions

Until the distribution of the shares is completed, SEC rules may limit the underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriters option to purchase additional shares in the offering. The underwriters may close out any covered short position by either exercising their over-allotment option or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. Naked short sales are sales in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering.

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Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

Similar to other purchase transactions, the underwriters purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor any of the underwriters makes any representation that the representative will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Offer, Sale and Distribution of Shares

In connection with the offering, certain of the underwriters or securities dealers may distribute this prospectus supplement and accompanying prospectus by electronic means, such as e-mail. In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated will be facilitating Internet distribution for this offering to certain of its Internet subscription customers. Merrill Lynch, Pierce, Fenner & Smith Incorporated intends to allocate a limited number of shares for sale to its online brokerage customers. An electronic prospectus supplement and accompanying prospectus is available on the Internet web site maintained by Merrill Lynch, Pierce, Fenner & Smith Incorporated. Other than the prospectus supplement and accompanying prospectus in electronic format, the information on the Merrill Lynch, Pierce, Fenner & Smith Incorporated web site is not part of this prospectus supplement and accompanying prospectus.

Other Relationships

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us. They have received customary fees and commissions for these transactions.

LEVERAGE

The Effects of Leverage section on page 25 of the prospectus is revised as follows:

As of May 31, 2006, we were obligated to pay a rate of 5.36% and 5.30% on $35 million aggregate liquidation preference for Series I MMP Shares and $35 million aggregate liquidation preference for Series II MMP Shares, respectively. However, we have entered into interest rate swap agreements to protect ourselves from increasing dividend expense on MMP Shares resulting from increasing short-term interest rates. Under the terms of outstanding swap agreements as of May 31, 2006, we were instead obligated to pay only a rate of 5.20% and 5.21%, respectively, on a notional amount of $35 million for Series I MMP Shares and a notional amount of $35 million for Series II MMP Shares.

As of May 31, 2006, we were obligated to pay a rate of 5.15%, 5.28% and 5.25% on a principal amount of $60 million for Series A Tortoise Notes, $50 million principal amount for Series B Tortoise Notes and $55 million principal amount for Series C Tortoise Notes, respectively. However, we have entered into interest rate swap agreements to protect ourselves from increasing interest expense on Tortoise Notes resulting from increasing short-term interest rates. Under the terms of outstanding swap agreements as of May 31, 2006, we were instead obligated to pay only a rate of 3.54%, 3.56% and 4.54% on a notional amount of $60 million for Series A Tortoise Notes, $50 million notional amount for Series B Tortoise Notes and $55 million notional amount for Series C Tortoise Notes, respectively.

LEGAL MATTERS

Blackwell Sanders Peper Martin, L.L.P., Kansas City, Missouri, serves as our counsel. Vedder, Price, Kaufman & Kammholz, P.C. (Vedder Price), Chicago, Illinois, is serving as our special counsel in connection with the offering under this prospectus supplement and accompanying prospectus. Certain legal matters in connection with the securities offered hereby will be passed upon for us by Vedder Price. Vedder Price may rely on the opinion of Venable LLP, Baltimore, Maryland, on certain matters of Maryland law. Kaye Scholer LLP (Kaye Scholer), New York, New York, is serving as counsel to the underwriters. Stroock Stroock & Lavan LLP (Stroock), New York, New York, is serving as special counsel to the underwriters. Certain legal matters in connection with this offering will be passed upon for the underwriters by Kaye Scholer and Stroock.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the 1934 Act and the Investment Company Act of 1940, as amended, and are required to file reports, including annual and semi-annual reports, proxy statements and other information with the SEC. We voluntarily file quarterly shareholder reports. Our most recent shareholder report filed with the SEC is for the period ended May 31, 2006. These documents are available on the SEC s EDGAR system and can be inspected and copied for a fee at the SEC s public reference room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Additional information about the operation of the public reference room facilities may be obtained by calling the SEC at (202) 551-5850.

This prospectus supplement and the accompanying prospectus do not contain all of the information in our registration statement, including amendments, exhibits, and schedules. Statements in this prospectus supplement and the accompanying prospectus about the contents of any contract or other document are not necessarily complete and in each instance reference is made to the copy of the contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by this reference.

Additional information about us can be found in our Registration Statement (including amendments, exhibits, and schedules) on Form N-2 filed with the SEC. The SEC maintains a web site (http://www.sec.gov) that contains our Registration Statement, other documents incorporated by reference, and other information we have filed electronically with the SEC, including proxy statements and reports filed under the Exchange Act.

The addresses of the representatives are: Merrill Lynch & Co., 4 World Financial Center, 250 Vesey Street, New York, New York 10080; Stifel, Nicolaus & Company, Incorporated, 501 North Broadway, St. Louis, Missouri 63102.

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UNAUDITED FINANCIAL STATEMENTS AS OF MAY 31, 2006

TORTOISE ENERGY INFRASTRUCTURE CORPORATION

SCHEDULE OF INVESTMENTS (Unaudited)

	May 31, 2006	
	Shares/Units	**Value**
Common Stock 1.1%(1)		
Natural Gas Gathering/Processing 1.1%(1)		
Crosstex Energy, Inc. (Cost $2,172,703)	54,136	$ 4,886,857
Master Limited Partnerships and Related Companies 167.1%(1)		
Coal 0.6%(1)		
Natural Resource Partners L.P.	50,700	$ 2,777,346
Crude/Refined Products Pipelines 98.2%(1)		
Buckeye Partners, L.P.	567,102	$ 24,646,253
Enbridge Energy Partners, L.P.	904,000	39,342,080
Holly Energy Partners, L.P.	427,070	17,134,048
Kinder Morgan Management, LLC(2)	1,490,874	64,808,293
Magellan Midstream Partners, L.P.	2,190,213	75,868,978
Pacific Energy Partners, L.P.	981,700	30,727,210
Plains All American Pipeline, L.P.	1,247,155	60,487,017
Plains All American Pipeline, L.P.(3)	87,960	4,095,418
Sunoco Logistics Partners L.P.	934,625	40,142,144
TEPPCO Partners, L.P.	811,320	30,538,085
Valero L.P.	709,874	36,544,313
		$ 424,333,839
Natural Gas/Natural Gas Liquid Pipelines 15.4%(1)		
Enterprise GP Holdings L.P.	71,400	$ 2,534,700
Enterprise Products Partners L.P.	2,248,940	56,673,288
ONEOK Partners, L.P.	144,600	7,186,620
		$ 66,394,608
Natural Gas Gathering/Processing 36.6%(1)		
Copano Energy, L.L.C.	623,651	$ 29,099,556
Crosstex Energy, L.P.	268,587	9,228,649
Energy Transfer Partners, L.P.	1,801,750	81,511,170
Hiland Partners, LP	36,548	1,545,615
MarkWest Energy Partners, L.P.	805,810	34,649,830
Williams Partners L.P.	59,750	2,062,570
		$ 158,097,390

Shipping 4.6%[1]			
K-Sea Transportation Partners, L.P.	571,300	$	17,767,430
Teekay LNG Partners, L.P.	67,200		2,065,056
		$	19,832,486

	May 31, 2006 Shares/Units	Value
Propane Distribution 11.7%[1]		
Inergy, L.P.	1,767,979	$ 46,763,045
Inergy, L.P.[3]	82,655	1,936,607
Inergy Holdings, L.P.	61,761	2,018,349
		$ 50,718,001
Total Master Limited Partnerships and Related Companies (Cost $523,982,475)		$ 722,153,670

	Principal Amount	Value
Promissory Note 1.4%[1]		
Shipping 1.4%[1]		
E.W. Transportation, LLC Unregistered, 8.80%, Due 3/31/2009 (Cost $5,825,355)[3][4]	$ 5,881,375	$ 5,825,355

	Shares	Value
Short-Term Investments 1.0%[1]		
First American Government Obligations Money Market Fund Class Y, 4.64%[5] (Cost $4,450,905)	4,450,905	$ 4,450,905
Total Investments 170.6%[1] (Cost $536,431,438)		$ 737,316,787
Auction Rate Senior Notes (38.2%)[1]		(165,000,000)
Interest Rate Swap Contracts 2.7%[1]		
$345,000,000 notional Unrealized Appreciation[6]		$ 11,458,231
Liabilities in Excess of Cash and Other Assets (18.9%)[1]		(81,697,795)
Preferred Shares at Redemption Value (16.2%)[1]		(70,000,000)
Total Net Assets Applicable to Common Stockholders 100.0%[1]		$ 432,077,223

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

(2) Security distributions are paid in kind. Related company of master limited partnership.

(3) Fair valued securities represent a total market value of $11,857,380 which represents 2.7% of net assets. These securities are deemed to be restricted; see Note 6 for further disclosure.

(4) Security is a variable rate instrument. Interest rate is as of May 31, 2006.

(5) Rate indicated is the 7-day effective yield.

(6) See Note 10 for further disclosure.

See Accompanying Notes to the Financial Statements.

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TORTOISE ENERGY INFRASTRUCTURE CORPORATION

STATEMENT OF ASSETS & LIABILITIES (Unaudited)

	As of May 31, 2006
Assets	
Investments at value (cost $536,431,438)	$ 737,316,787
Cash	6,856,206
Receivable for Adviser reimbursement	122,090
Interest and dividend receivable	387,016
Distribution receivable	
Unrealized appreciation on interest rate swap contracts	11,458,231
Prepaid expenses and other assets	2,543,940
Total assets	$ 758,684,270
Liabilities	
Payable to Adviser	$ 1,159,855
Dividend payable on common shares	7,472,051
Dividend payable on preferred shares	88,722
Accrued expenses and other liabilities	413,852
Current tax liability	196,251
Deferred tax liability	82,276,316
Auction rate senior notes payable:	
Series A, due July 15, 2044	60,000,000
Series B, due July 15, 2044	50,000,000
Series C, due April 10, 2045	55,000,000
Total liabilities	$ 256,607,047
Preferred Shares	
$25,000 liquidation value per share applicable to 2,800 outstanding shares (7,500 shares authorized)	$ 70,000,000
Net assets applicable to common stockholders	$ 432,077,223
Net Assets Applicable to Common Stockholders Consist of	
Capital stock, $0.001 par value; 14,944,103 shares issued and outstanding (100,000,000 shares authorized)	$ 14,944
Additional paid-in capital	303,629,209
Accumulated net investment loss, net of deferred tax benefit	(5,354,401)
Undistributed realized gain, net of deferred tax expense	4,488,241
Net unrealized gain on investments and interest rate swap contracts, net of deferred tax expense	129,299,230
Net assets applicable to common stockholders	$ 432,077,223

Net Asset Value per common share outstanding (net assets applicable to common shares, divided by common shares outstanding)	$	28.91

See Accompanying Notes to the Financial Statements.

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TORTOISE ENERGY INFRASTRUCTURE CORPORATION

STATEMENT OF OPERATIONS (Unaudited)

		Period from December 1, 2005 through May 31, 2006
Investment Income		
Distributions received from master limited partnerships	$	21,674,776
Less return of capital on distributions		(18,344,206)
Distribution income from master limited partnerships	$	3,330,570
Dividends from common stock		63,470
Dividends from money market mutual funds		109,009
Interest		286,489
Total Investment Income	$	3,789,538
Expenses		
Advisory fees	$	3,378,996
Administrator fees		231,443
Professional fees		155,421
Reports to stockholders		66,455
Directors fees		58,669
Custodian fees and expenses		32,909
Fund accounting fees		29,917
Registration fees		25,148
Stock transfer agent fees		7,002
Other expenses		45,796
Total Expenses before Interest Expense and Auction Agent Fees	$	4,031,756
Interest expense	$	3,825,995
Auction agent fees		327,257
Total Interest Expense and Auction Agent Fees	$	4,153,252
Total Expenses	$	8,185,008
Less expense reimbursement by Adviser	$	(581,002)
Net Expenses	$	7,604,006
Net Investment Loss, before income taxes	$	(3,814,468)
Current tax expense		(196,251)
Deferred tax benefit		1,564,180

Income tax benefit	$	1,367,929
Net Investment Loss	$	(2,446,539)
Realized and Unrealized Gain on Investments		
Net realized gain on investments	$	697,862
Net realized gain on interest rate swap settlements		305,835
Net realized gain, before deferred tax expense	$	1,003,697
Deferred tax expense		(391,442)
Net realized gain on investments and interest rate swap settlements	$	612,255
Net unrealized appreciation of investments		64,961,625
Net unrealized appreciation of interest rate swap contracts		8,555,715
Net unrealized gain, before deferred tax expense	$	73,517,340
Deferred tax expense		(28,673,877)
Net unrealized appreciation of investments and interest rate swap contracts	$	44,843,463
Net Realized and Unrealized Gain on Investments	$	45,455,718
Dividends to Preferred Stockholders	$	(1,641,864)
Net Increase in Net Assets Applicable to Common Stockholders Resulting from Operations	$	41,367,315

See Accompanying Notes to the Financial Statements.

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TORTOISE ENERGY INFRASTRUCTURE CORPORATION

STATEMENT OF CHANGES IN NET ASSETS

	Period from December 1, 2005 through May 31, 2006 (Unaudited)	Year Ended November 30, 2005
Operations		
Net investment loss	$ (2,446,539)	$ (2,664,574)
Net realized gain on investments and interest rate swap settlements	612,255	3,910,013
Net unrealized appreciation of investments and interest rate swap contracts	44,843,463	36,586,625
Dividends to preferred stockholders	(1,641,864)	(1,639,910)
Net increase in net assets applicable to common stockholders resulting from operations	$ 41,367,315	$ 36,192,154
Dividends and Distributions to Common Stockholders		
Net investment income		
Return of capital	$ (14,626,698)	$ (26,506,341)
Total dividends to common stockholders	$ (14,626,698)	$ (26,506,341)
Capital Share Transactions		
Proceeds from secondary offering of 1,755,027 common shares	$	$ 47,999,988
Proceeds from issuance of 263,254 common shares in connection with exercising an overallotment option granted to underwriters of the secondary offering		7,199,997
Underwriting discounts and offering expenses associated with the issuance of common shares		(2,443,688)
Underwriting discounts and offering expenses associated with the issuance of preferred shares		(356,815)
Issuance of 38,588 and 203,080 common shares from reinvestment of dividend distributions to stockholders, respectively	$ 1,063,106	$ 5,635,662
Net increase in net assets, applicable to common stockholders, from capital share transactions	$ 1,063,106	$ 58,035,144
Total increase in net assets applicable to common stockholders	$ 27,803,723	$ 67,720,957
Net Assets		
Beginning of period	404,273,500	336,552,543
End of period	$ 432,077,223	$ 404,273,500
	$ (5,354,401)	$ (2,907,862)

Accumulated net investment loss, net of deferred tax benefit, at the end of period

See Accompanying Notes to the Financial Statements.

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TORTOISE ENERGY INFRASTRUCTURE CORPORATION

STATEMENT OF CASH FLOWS (Unaudited)

		Period from December 1, 2005 through May 31, 2006
Cash Flows From Operating Activities		
Distributions received from master limited partnerships	$	21,330,326
Interest and dividend income received		445,319
Purchases of long-term investments		(3,894,147)
Proceeds from sale of long-term investments		2,958,785
Proceeds from sale of short-term investments, net		1,245,510
Proceeds from interest rate swap contracts, net		305,835
Interest expense paid		(4,069,723)
Operating expenses paid		(3,682,713)
Net cash provided by operating activities	$	14,639,192
Cash Flows From Financing Activities		
Dividends paid to common stockholders	$	(6,091,540)
Dividends paid to preferred stockholders		(1,736,868)
Net cash used in financing activities	$	(7,828,408)
Net increase in cash		6,810,784
Cash beginning of period		45,422
Cash end of period	$	6,856,206
Reconciliation of Net Increase in Net Assets Applicable to Common Stockholders Resulting from Operations to Net Cash Provided by Operating Activities		
Net increase in net assets applicable to common stockholders resulting from operations	$	41,367,315
Adjustments to reconcile net increase in net assets applicable to common stockholders resulting from operations to net cash provided by operating activities:		
Purchases of long-term investments		(3,894,147)
Return of capital on distributions received		18,344,206
Proceeds from sales of long-term investments		2,958,785
Proceeds from sale of short-term investments, net		1,245,510
Deferred income taxes		27,501,139
Net unrealized appreciation on investments and interest rate swap contracts		(73,517,340)
Realized gains on investments and interest rate swap settlements		(697,862)
Accretion of discount on investments		(8,846)
Amortization of debt issuance costs		28,711
Dividends to preferred stockholders		1,641,864
Changes in operating assets and liabilities:		

Increase in interest and dividends receivable		(349,253)
Increase in prepaid expenses and other assets		(159,196)
Decrease in current tax liability		(18,010)
Increase in payables to Adviser, net of expense reimbursement		174,389
Increase in accrued expenses and other liabilities		21,927
Total adjustments	$	(26,728,123)
Net cash provided by operating activities	$	14,639,192
Non-Cash Financing Activities		
Reinvestment of distributions by common stockholders in additional common shares	$	1,063,106

See Accompanying Notes to the Financial Statements.

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TORTOISE ENERGY INFRASTRUCTURE CORPORATION

FINANCIAL HIGHLIGHTS (Unaudited)

	Period from December 1, 2005 through May 31, 2006 (Unaudited)	Year Ended November 30, 2005	Period from February 27, 2004[1] through November 30, 2004
Per Common Share Data[2]			
Net Asset Value, beginning of period	$ 27.12	$ 26.53	$
Public offering price			25.00
Underwriting discounts and offering costs on initial public offering			(1.17)
Underwriting discounts and offering costs on issuance of preferred shares		(0.02)	(0.06)
Premiums less underwriting discounts and offering costs on secondary offering[3]			
Income (loss) from Investment Operations:			
Net investment loss[4]	(0.16)	(0.16)	(0.03)
Net realized and unrealized gain on investments[4]	3.04	2.67	3.77
Total increase from investment operations	$ 2.88	$ 2.51	$ 3.74
Less Dividends to Preferred Stockholders:			
Net investment income			
Return of capital	$ (0.11)	$ (0.11)	$ (0.01)
Total dividends to preferred stockholders	$ (0.11)	$ (0.11)	$ (0.01)
Less Dividends to Common Stockholders:			
Net investment income			
Return of capital	$ (0.98)	$ (1.79)	$ (0.97)
Total dividends to common stockholders	$ (0.98)	$ (1.79)	$ (0.97)
Net Asset Value, end of period	$ 28.91	$ 27.12	$ 26.53
Per common share market value, end of period	$ 28.75	$ 28.72	$ 27.06
Total Investment Return Based on Market Value[5]	3.61%	13.06%	12.51%
Supplemental Data and Ratios			
Net assets applicable to common stockholders, end of period (000 s)	$ 432,077	$ 404,274	$ 336,553
	17.32%	9.10%	15.20%

Ratio of expenses (including current and deferred income tax expense) to average net assets before waiver:(6)(7)(8)			
Ratio of expenses (including current and deferred income tax expense) to average net assets after waiver:(6)(7)(8)	17.04%	8.73%	14.92%
Ratio of expenses (excluding current and deferred income tax expense) to average net assets before waiver:(6)(7)(8)	3.95%	3.15%	2.01%
Ratio of expenses (excluding current and deferred income tax expense) to average net assets after waiver:(6)(7)(8)	3.67%	2.78%	1.73%

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	Period from December 1, 2005 through May 31, 2006 (Unaudited)	Year Ended November 30, 2005	Period from February 27, 2004[1] through November 30, 2004
Ratio of expenses (excluding current and deferred income tax expense), without regard to non-recurring organizational expenses, to average net assets before waiver:[6][7][8]	3.95%	3.15%	1.90%
Ratio of expenses (excluding current and deferred income tax expense), without regard to non-recurring organizational expenses, to average net assets after waiver:[6][7][8]	3.67%	2.78%	1.62%
Ratio of net investment loss to average net assets before waiver:[6][7][9]	(2.12)%	(1.42)%	(0.45)%
Ratio of net investment loss to average net assets after waiver:[6][7][9]	(1.84)%	(1.05)%	(0.17)%
Ratio of net investment loss to average net assets after current and deferred income tax expense, before waiver:[6][7][8]	(15.49)%	(7.37)%	(13.37)%
Ratio of net investment loss to average net assets after current and deferred income tax expense, after waiver:[6][7][8]	(15.21)%	(7.00)%	(13.65)%
Portfolio turnover rate	0.42%	4.92%	1.39%
Tortoise Auction Rate Senior Notes, end of period (000 s)	$ 165,000	$ 165,000	$ 110,000
Tortoise Preferred Shares, end of period (000 s)	70,000	70,000	35,000
Per common share amount of auction rate senior notes outstanding at end of period	$ 11.04	$ 11.07	$ 8.67
Per common share amount of net assets, excluding auction rate senior notes, at end of period	$ 39.95	$ 38.19	$ 35.21
Asset coverage, per $1,000 of principal amount of auction rate senior notes[10]			
Series A	$ 4,043	$ 3,874	$ 4,378
Series B	4,043	3,874	4,378
Series C	4,043	3,874	
Asset coverage, per $25,000 liquidation value per share of preferred shares[11]	$ 179,313	$ 169,383	$ 265,395
Asset coverage ratio of auction rate senior notes[10]	404%	387%	438%
Asset coverage ratio of preferred shares[12]	284%	272%	332%

(1) Commencement of operations.

(2) Information presented relates to a share of common stock outstanding for the entire period.

(3) The amount is less than $0.01 per share, and represents the premium on the secondary offering of $0.14 per share, less the underwriting discounts and offering costs of $0.14 per share for the year ended November 30, 2005.

(4) The per common share data for the periods ended November 30, 2005 and 2004, do not reflect the change in estimate of investment income and return of capital, for the respective period.

(5) Not annualized for periods less than a year. Total investment return is calculated assuming a purchase of common stock at the market price on the first day and a sale at the current market price on the last day of the

period reported. The calculation also assumes reinvestment of dividends at actual prices pursuant to the Company s dividend reinvestment plan. Total investment return does not reflect brokerage commissions.

(6) Annualized for periods less than one full year.

(7) The expense ratios and net investment loss ratios do not reflect the effect of dividend payments to preferred stockholders.

(8) The Company accrued $27,697,390, $24,659,420 and $30,330,018 for the period ended May 31, 2006, for the year ended November 30, 2005 and for the period from February 27, 2004 through November 30, 2004, respectively, for current and deferred income tax expense.

(9) The ratio excludes net deferred income tax benefit on net investment loss.

(10) Represents value of total assets less all liabilities and indebtedness not represented by auction rate senior notes and preferred shares at the end of the period divided by auction rate senior notes outstanding at the end of the period.

(11) Represents value of total assets less all liabilities and indebtedness not represented by preferred shares at the end of the period divided by preferred shares outstanding at the end of the period.

(12) Represents value of total assets less all liabilities and indebtedness not represented by auction rate senior notes and preferred shares at the end of the period divided by auction rate senior notes and preferred shares outstanding at the end of the period.

See Accompanying Notes to the Financial Statements.

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TORTOISE ENERGY INFRASTRUCTURE CORPORATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)
May 31, 2006

1. Organization

Tortoise Energy Infrastructure Corporation (the Company) was organized as a Maryland corporation on October 29, 2003, and is a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Company s investment objective is to seek a high level of total return with an emphasis on current dividends paid to shareholders. The Company seeks to provide its shareholders with an efficient vehicle to invest in the energy infrastructure sector. The Company commenced operations on February 27, 2004. The Company s shares are listed on the New York Stock Exchange under the symbol TYG.

2. Significant Accounting Policies

A. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, recognition of distribution income and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

B. Investment Valuation

The Company primarily owns securities that are listed on a securities exchange. The Company values those securities at their last sale price on that exchange on the valuation date. If the security is listed on more than one exchange, the Company will use the price of the exchange that it generally considers to be the principal exchange on which the security is traded. Securities listed on the NASDAQ will be valued at the NASDAQ Official Closing Price, which may not necessarily represent the last sale price. If there has been no sale on such exchange or NASDAQ on such day, the security will be valued at the mean between bid and asked price on such day.

The Company may invest up to 30 percent of its total assets in restricted securities. Restricted securities are subject to statutory or contractual restrictions on their public resale, which may make it more difficult to obtain a valuation and may limit the Company s ability to dispose of them. Investments in private placement securities and other securities for which market quotations are not readily available will be valued in good faith by using fair value procedures approved by the Board of Directors. Such fair value procedures consider factors such as discounts to publicly traded issues, securities with similar yields, quality, type of issue, coupon, duration and rating. If events occur that will affect the value of the Company s portfolio securities before the net asset value has been calculated (a significant event), the portfolio securities so affected will generally be priced using a fair value procedure.

The Company generally values short-term debt securities at prices based on market quotations for such securities, except those securities purchased with 60 days or less to maturity are valued on the basis of amortized cost, which approximates market value.

The Company generally values its interest rate swap contracts using industry-accepted models which discount the estimated future cash flows based on the stated terms of the interest rate swap agreement by using interest rates currently available in the market, or based on dealer quotations, if available.

C. Security Transactions and Investment Income

Security transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses are reported on an identified cost basis. Interest income is recognized on the accrual basis, including amortization of premiums and accretion of discounts. Distributions are recorded on the ex-dividend date. Distributions received from the Company s investments in master limited partnerships (MLPs) generally are comprised of ordinary income, capital gains and return of capital from the MLP. The Company records investment

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TORTOISE ENERGY INFRASTRUCTURE CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

income and return of capital based on estimates made at the time such distributions are received. Such estimates are based on historical information available from each MLP and other industry sources. These estimates may subsequently be revised based on information received from MLPs after their tax reporting periods are concluded, as the actual character of these distributions are not known until after the fiscal year-end of the Company.

For the period from December 1, 2004 through November 30, 2005, the Company estimated the allocation of investment income and return of capital for the distributions received from MLPs within the Statement of Operations. For this period, the Company had estimated approximately 23 percent as investment income and approximately 77 percent as return of capital.

Subsequent to November 30, 2005, the Company reclassified the amount of investment income and return of capital it recognized based on the 2005 tax reporting information received from the individual MLPs. This reclassification amounted to a decrease in pre-tax net investment income of approximately $190,000 or $0.01 per share ($116,000 or $0.008 per share, net of deferred tax benefit), and a corresponding increase in unrealized appreciation of investments for the period from December 1, 2005 through May 31, 2006. The reclassification is reflected in the accompanying financial statements.

D. Dividends to Stockholders

Dividends to common stockholders are recorded on the ex-dividend date. The character of dividends to common stockholders made during the year may differ from their ultimate characterization for federal income tax purposes. For the year ended November 30, 2005 and the period ended May 31, 2006, the Company s dividends, for book purposes, were comprised entirely of return of capital as a result of the net investment loss incurred by the Company in each reporting period. For the year ended November 30, 2005, for tax purposes, the Company determined the dividends to common stockholders were comprised of 100 percent return of capital.

Dividends to preferred stockholders are based on variable rates set at auctions, normally held every 28 days. Dividends on preferred shares are accrued on a daily basis for the subsequent 28-day period at a rate as determined on the auction date. Dividends on preferred shares are payable every 28 days, on the first day following the end of the dividend period. The character of dividends to preferred stockholders made during the year may differ from their ultimate characterization for federal income tax purposes. For the year ended November 30, 2005 and the period ended May 31, 2006, the Company s dividends, for book purposes, were comprised entirely of return of capital as a result of the net investment loss incurred by the Company in each reporting period. For the year ended November 30, 2005, for tax purposes, the Company determined the dividends to preferred stockholders were comprised of 100 percent return of capital.

E. Federal Income Taxation

The Company, as a corporation, is obligated to pay federal and state income tax on its taxable income. The Company invests its assets primarily in MLPs, which generally are treated as partnerships for federal income tax purposes. As a limited partner in the MLPs, the Company reports its allocable share of the MLP s taxable income in computing its own taxable income. The Company s tax expense or benefit will be included in the Statement of Operations based on the component of income or gains (losses) to which such expense or benefit relates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

F. Organization Expenses, Offering and Debt Issuance Costs

The Company is responsible for paying all organizational expenses, which were expensed as incurred. Offering costs related to the issuance of common and preferred stock are charged to additional paid-in capital when the shares are issued. Offering costs (excluding underwriter commissions) of $164,530 were charged to additional

TORTOISE ENERGY INFRASTRUCTURE CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

paid-in capital for the MMP II preferred shares issued in July 2005. Debt issuance costs related to the auction rate senior notes are capitalized and amortized over the period the notes are outstanding. The amount of such capitalized costs (excluding underwriter commissions) for Auction Rate Senior Notes Series C issued in April 2005, was $254,099.

G. Derivative Financial Instruments

The Company uses derivative financial instruments (principally interest rate swap contracts) to manage interest rate risk. The Company has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instrument activities. The Company does not hold or issue derivative financial instruments for speculative purposes. All derivative financial instruments are recorded at fair value with changes in value during the reporting period, and amounts accrued under the agreements, included as unrealized gains or losses in the Statement of Operations. Monthly cash settlements under the terms of the interest rate swap agreements are recorded as realized gains or losses in the Statement of Operations.

H. Indemnifications

Under the Company s organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business, the Company may enter into contracts that provide general indemnification to other parties. The Company s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred, and may not occur. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

3. Concentration of Risk

The Company s investment objective is to seek a high level of total return with an emphasis on current dividends paid to its stockholders. Under normal circumstances, the Company intends to invest at least 90 percent of its total assets in securities of domestic energy infrastructure companies, and to invest at least 70 percent of its total assets in equity securities of MLPs. The Company will not invest more than 10 percent of its total assets in any single issuer as of the time of purchase. The Company may invest up to 25 percent of its assets in debt securities, which may include below investment grade securities. Companies that primarily invest in a particular sector may experience greater volatility than companies investing in a broad range of industry sectors. The Company may, for defensive purposes, temporarily invest all or a significant portion of its assets in investment grade securities, short-term debt securities and cash or cash equivalents. To the extent the Company uses this strategy, it may not achieve its investment objective.

4. Agreements

The Company has entered into an Investment Advisory Agreement with Tortoise Capital Advisors, L.L.C. (the Adviser). Under the terms of the agreement, the Company will pay the Adviser a fee equal to an annual rate of 0.95 percent of the Company s average monthly total assets (including any assets attributable to leverage) minus the sum of accrued liabilities (other than deferred income taxes, debt entered into for purposes of leverage and the aggregate liquidation preference of outstanding preferred shares) (Managed Assets), in exchange for the investment advisory services provided. For the period following the commencement of the Company s operations through February 28, 2006, the Adviser agreed to waive or reimburse the Company for fees and expenses in an amount equal to 0.23 percent of the average monthly Managed Assets of the Company. For years ending February 28, 2007, 2008 and 2009, the Adviser has agreed to waive or reimburse the Company for fees and expenses in an amount equal to 0.10 percent of the average monthly Managed Assets of the Company.

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TORTOISE ENERGY INFRASTRUCTURE CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

The Company has engaged U.S. Bancorp Fund Services, LLC to serve as the Company s administrator. The Company pays the administrator a monthly fee computed at an annual rate of 0.07 percent of the first $300 million of the Company s Managed Assets, 0.06 percent on the next $500 million of Managed Assets and 0.04 percent on the balance of the Company s Managed Assets, subject to a minimum annual fee of $45,000.

Computershare Investor Services, LLC serves as the Company s transfer agent, dividend paying agent, and agent for the automatic dividend reinvestment plan.

U.S. Bank, N.A. serves as the Company s custodian. The Company pays the custodian a monthly fee computed at an annual rate of 0.015 percent on the first $100 million of the Company s Managed Assets and 0.01 percent on the balance of the Company s Managed Assets, subject to a minimum annual fee of $4,800.

5. Income Taxes

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting and tax purposes. Components of the Company s deferred tax assets and liabilities as of May 31, 2006 are as follows:

Deferred tax assets:	
Net operating loss carryforwards	$ 11,904,169
Organization costs	53,371
	11,957,540
Deferred tax liabilities:	
Unrealized gains on investment securities and interest rate swap contracts	82,816,111
Basis reduction of investment in MLPs	11,417,745
	94,233,856
Total net deferred tax liability	$ 82,276,316

For the period from December 1, 2005 to May 31, 2006, the components of income tax expense include current foreign taxes payable of $196,251 and deferred federal and state income taxes (net of federal tax benefit) of $24,680,509 and $2,820,630, respectively. As of November 30, 2005, the Company had a net operating loss for federal income tax purposes of approximately $19,171,000. If not utilized, this net operating loss will expire as follows: $2,833,000 and $16,338,000 in the years ending November 30, 2024 and 2025, respectively.

Total income tax expense differs from the amount computed by applying the federal statutory income tax rate of 35 percent to net investment income and realized and unrealized gains on investments and interest rate swap contracts before taxes for the period from December 1, 2005 through May 31, 2006, as follows:

Application of statutory income tax rate	$ 24,747,299
State income taxes, net of federal tax benefit	2,828,263
Other, net	121,828
Total	$ 27,697,390

At May 31, 2006, the Company did not record a valuation allowance against its deferred tax assets.

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TORTOISE ENERGY INFRASTRUCTURE CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

6. Restricted Securities

Certain of the Company s investments are restricted and are valued as determined in accordance with procedures established by the Board of Directors and more fully described in Note 2. The table below shows the number of units held or principal amount, the acquisition dates, acquisition costs, value per unit of such securities and percent of net assets which the securities comprise.

Investment Security		Number of Units or Principal Amount	Acquisition Dates	Acquisition Cost	Value Per Unit	Percent of Net Assets
Plains All American Pipeline, L.P.	Common Units	87,960	3/22/06-4/19/06	$ 3,736,472	$ 46.56	0.9%
Inergy, L.P.	Subordinated Units	82,655	9/14/04-2/04/05	2,232,123	23.43	0.4
E.W. Transportation, LLC	Promissory Note	$ 5,881,375	5/03/04	8,569,500	N/A	1.4
				$ 14,538,095		2.7%

7. Investment Transactions

For the period ended May 31, 2006, the Company purchased (at cost) and sold securities (proceeds) in the amount of $3,894,147 and $2,958,785 (excluding short-term debt securities and interest rate swaps), respectively.

8. Auction Rate Senior Notes

The Company has issued $60,000,000, $50,000,000, and $55,000,000 aggregate principal amount of auction rate senior notes Series A, Series B, and Series C, respectively (collectively, the Notes). The Notes were issued in denominations of $25,000. The principal amount of the Notes will be due and payable on July 15, 2044 for Series A and Series B, and April 10, 2045 for Series C. Fair value of the notes approximates carrying amount because the interest rate fluctuates with changes in interest rates available in the current market.

Holders of the Notes are entitled to receive cash interest payments at an annual rate that may vary for each rate period. Interest rates for Series A, Series B, and Series C as of May 31, 2006 were 5.15 percent, 5.28 percent, and 5.25 percent, respectively. The weighted average interest rates for Series A, Series B, and Series C for the period ended May 31, 2006, were 4.80 percent, 4.85 percent, and 4.77 percent, respectively. These rates include the applicable rate based on the latest results of the auction, plus commissions paid to the auction agent in the amount of 0.25 percent. For each subsequent rate period, the interest rate will be determined by an auction conducted in accordance with the procedures described in the Notes prospectus. Generally, the rate period will be 28 days for Series A and Series B, and 7 days for Series C. The Notes are not listed on any exchange or automated quotation system.

The Notes are redeemable in certain circumstances at the option of the Company. The Notes are also subject to a mandatory redemption if the Company fails to meet an asset coverage ratio required by law, or fails to cure in a timely manner a deficiency as stated in the rating agency guidelines applicable to the Notes.

The Notes are unsecured obligations of the Company and, upon liquidation, dissolution or winding up of the Company, will rank: (1) senior to all the Company s outstanding preferred shares; (2) senior to all of the Company s outstanding common shares; (3) on a parity with any unsecured creditors of the Company and any unsecured senior securities representing indebtedness of the Company; and (4) junior to any secured creditors of the Company.

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TORTOISE ENERGY INFRASTRUCTURE CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

9. Preferred Shares

The Company has 7,500 authorized Money Market Preferred (MMP) Shares, of which 2,800 shares (1,400 MMP Shares and 1,400 MMP II Shares) are currently outstanding. The MMP and MMP II Shares have rights determined by the Board of Directors. The MMP and MMP II Shares have a liquidation value of $25,000 per share plus any accumulated, but unpaid dividends, whether or not declared.

Holders of the MMP and MMP II Shares are entitled to receive cash dividend payments at an annual rate that may vary for each rate period. The dividend rates for MMP and MMP II Shares as of May 31, 2006, were 5.36 percent and 5.30 percent, respectively. The weighted average dividend rates for MMP and MMP II Shares for the period ended May 31, 2006, were 4.88 percent and 4.91 percent, respectively. These rates include the applicable rate based on the latest results of the auction, plus commissions paid to the auction agent in the amount of 0.25 percent. Under the Investment Company Act of 1940, the Company may not declare dividends or make other distributions on shares of common stock or purchases of such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding MMP Shares would be less than 200 percent.

The MMP Shares are redeemable in certain circumstances at the option of the Company. The MMP Shares are also subject to a mandatory redemption if the Company fails to meet an asset coverage ratio required by law, or fails to cure a deficiency in a timely manner as stated in the rating agency guidelines.

The holders of MMP and MMP II Shares have voting rights equal to the holders of common stock (one vote per share) and will vote together with the holders of shares of common stock as a single class except on matters affecting only the holders of preferred stock or the holders of common stock.

10. Interest Rate Swap Contracts

The Company has entered into interest rate swap contracts to protect itself from increasing interest expense on its leverage resulting from increasing short-term interest rates. A decline in interest rates may result in a decline in the value of the swap contracts, which may result in a decline in the net assets of the Company. In addition, if the counterparty to the interest rate swap contracts defaults, the Company would not be able to use the anticipated receipts under the swap contracts to offset the interest payments on the Company s leverage. At the time the interest rate swap contracts reach their scheduled termination, there is a risk that the Company would not be able to obtain a replacement transaction, or that the terms of the replacement would not be as favorable as on the expiring transaction. In addition, if the Company is required to terminate any swap contract early due to the Company failing to maintain a required 300 percent asset coverage of the liquidation value of the outstanding auction rate senior notes or if the Company loses its credit rating on its auction rate senior notes, then the Company could be required to

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TORTOISE ENERGY INFRASTRUCTURE CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

make a termination payment, in addition to redeeming all or some of the auction rate senior notes. Details of the interest rate swap contracts outstanding as of May 31, 2006, were as follows:

Counterparty	Maturity Date	Notional Amount	Fixed Rate Paid by the Company	Floating Rate Received by the Company	Unrealized Appreciation
U.S. Bank, N.A	7/10/2007	$ 60,000,000	3.54%	1 month U.S. Dollar LIBOR	$ 1,215,473
U.S. Bank, N.A.*	7/05/2011	60,000,000	4.63%	1 month U.S. Dollar LIBOR	1,660,902
U.S. Bank, N.A	7/17/2007	50,000,000	3.56%	1 month U.S. Dollar LIBOR	1,006,337
U.S. Bank, N.A.*	7/12/2011	50,000,000	4.64%	1 month U.S. Dollar LIBOR	1,375,771
U.S. Bank, N.A	5/01/2014	55,000,000	4.54%	1 week U.S. Dollar LIBOR	3,372,946
U.S. Bank, N.A	11/12/2020	35,000,000	5.20%	1 month U.S. Dollar LIBOR	1,427,115
U.S. Bank, N.A	11/18/2020	35,000,000	5.21%	1 month U.S. Dollar LIBOR	1,399,687
		$ 345,000,000			$ 11,458,231

* The Company has entered into additional interest rate swap contracts for Series A and Series B notes with settlements commencing on 7/10/2007 and 7/17/2007, respectively.

The Company is exposed to credit risk on the interest rate swap contracts if the counterparty should fail to perform under the terms of the interest rate swap contracts. The amount of credit risk is limited to the net appreciation of the interest rate swap contract, as no collateral is pledged by the counterparty.

11. Common Stock

The Company has 100,000,000 shares of capital stock authorized and 14,944,103 shares outstanding at May 31, 2006. Transactions in common shares for the year ended November 30, 2005 and the period ended May 31, 2006, were as follows:

Shares at November 30, 2004	12,684,154
Shares sold through secondary offering and exercise of overallotment options	2,018,281
Shares issued through reinvestment of dividends	203,080
Shares at November 30, 2005	14,905,515
Shares issued through reinvestment of dividends	38,588
Shares at May 31, 2006	14,944,103

12. Subsequent Events

On June 1, 2006, the Company paid a dividend in the amount of $0.50 per share, for a total of $7,472,051. Of this total, the dividend reinvestment amounted to $1,041,172.

On December 9, 2005, the Board of Directors authorized the Company to file a shelf registration statement allowing the Company to issue common stock, auction rate senior notes and money market cumulative preferred shares in an aggregate amount of $125 million in the event suitable investment opportunities are presented. On June 23, 2006 the shelf registration was declared effective by the Securities and Exchange Commission.

On June 30, 2006, the Company acquired equity portfolio securities through a direct placement with Crosstex Energy, L.P. in the amount of $20 million. On July 26, 2006, the Company acquired equity portfolio securities through a direct placement with Plains All American Pipeline, L.P. in the amount of $12 million. These investments were funded by drawing on an unsecured credit facility.

TORTOISE ENERGY INFRASTRUCTURE CORPORATION

NOTES TO FINANCIAL STATEMENTS (Continued)

On July 24, 2006, the Board of Directors approved an increase in the amount of credit available under an unsecured credit facility from $20 million to $60 million.

On July 24, 2006, the Board of Directors approved a policy permitting temporary increases in the amount of leverage the Company may use from 33% of total assets to up to 38% of total assets at the time of incurrence, provided that (i) such leverage is consistent with the limits set forth in the Investment Company Act of 1940, as amended, and (ii) such increased leverage is reduced over time in an orderly fashion.

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Base Prospectus

$125,000,000
Tortoise Energy Infrastructure Corporation
Common Stock
Preferred Stock
Debt Securities

Tortoise Energy Infrastructure Corporation (the Company, we or our) is a nondiversified, closed-end management investment company. Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships (MLPs) in the energy infrastructure sector. Under normal circumstances, we invest at least 90% of our total assets (including assets obtained through leverage) in securities of energy infrastructure companies and invest at least 70% of our total assets in equity securities of MLPs. We cannot assure you that we will achieve our investment objective.

We may offer, from time to time, up to $125,000,000 aggregate initial offering price of our common stock ($0.001 par value per share), preferred stock ($0.001 par value per share) or debt securities, which we refer to in this prospectus collectively as our securities, in one or more offerings. We may offer our common stock, preferred stock and debt securities separately or together, in amounts, at prices and on terms set forth in a prospectus supplement to this prospectus. You should read this prospectus and the related prospectus supplement carefully before you decide to invest in any of our securities.

We may offer our securities directly to one or more purchasers, through agents that we designate from time to time, or to or through underwriters or dealers. The prospectus supplement relating to the particular offering will identify any agents or underwriters involved in the sale of our securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between us and our agents or underwriters or among our underwriters or the basis upon which such amount may be calculated. For more information about the manners in which we may offer our securities, see Plan of Distribution. We may not sell any of our securities through agents, underwriters or dealers without delivery of a prospectus supplement.

Our common stock is listed on the New York Stock Exchange under the symbol TYG. As of June 23, 2006, the last reported sale price for our common stock was $28.11.

Investing in our securities involves certain risks. You could lose some or all of your investment. See Risk Factors beginning on page 26 of this prospectus. You should consider carefully these risks together with all of the other information contained in this prospectus and any prospectus supplement before making a decision to purchase our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus dated June 23, 2006

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This prospectus, together with any prospectus supplement, sets forth concisely the information that you should know before investing. You should read the prospectus and prospectus supplement, which contain important information, before deciding whether to invest in our securities. You should retain the prospectus and prospectus supplement for future reference. A statement of additional information, dated June 23, 2006, as supplemented from time to time, containing additional information, has been filed with the Securities and Exchange Commission (SEC) and is incorporated by reference in its entirety into this prospectus. You may request a free copy of the statement of additional information, the table of contents of which is on page 59 of this prospectus, request a free copy of our annual, semi-annual and quarterly reports, request other information or make stockholder inquiries, by calling toll-free 1-888-728-8784 or by writing to us at 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210. Our annual, semi-annual and quarterly reports and the statement of additional information also are available on our investment adviser s website at www.tortoiseadvisors.com. Information included on our website does not form part of this prospectus. You can review and copy documents we have filed at the SEC s Public Reference Room in Washington, D.C. Call 1-202-551-5850 for information. The SEC charges a fee for copies. You can get the same information free from the SEC s website (http://www.sec.gov). You may also e-mail requests for these documents to publicinfo@sec.gov or make a request in writing to the SEC s Public Reference Section, 100 F. Street, N.E., Room 1580, Washington, D.C. 20549.

Our securities do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and is not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

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You should rely only on the information contained or incorporated by reference in this prospectus and any related prospectus supplement in making your investment decisions. We have not authorized any other person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus and any prospectus supplement do not constitute an offer to sell or solicitation of an offer to buy any securities in any jurisdiction where the offer or sale is not permitted. The information appearing in this prospectus and in any prospectus supplement is accurate only as of the dates on their covers. Our business, financial condition and prospects may have changed since such dates. We will advise investors of any material changes to the extent required by applicable law.

PROSPECTUS SUMMARY

The following summary contains basic information about us and our securities. It is not complete and may not contain all of the information you may want to consider. You should review the more detailed information contained in this prospectus and in any related prospectus supplement and in the statement of additional information, especially the information set forth under the heading Risk Factors beginning on page 26 of this prospectus.

The Company

We are a nondiversified, closed-end management investment company. Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of our investment objective, total return includes capital appreciation of, and all distributions received from, securities in which we invest regardless of the tax character of the distributions. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships (MLPs) in the energy infrastructure sector. We have a fiscal year ending November 30.

We commenced operations in February 2004 following our initial public offering. We were the first publicly traded investment company offering access to a portfolio of MLPs. Since that time, we completed an additional offering of common stock in December 2004. As of the date of this prospectus, we have two series of Money Market Cumulative Preferred (MMP®) Shares (MMP Shares) and three series of Auction Rate Senior Notes (Tortoise Notes) outstanding.

Investment Adviser

Tortoise Capital Advisors, L.L.C. (the Adviser) serves as our investment adviser. The Adviser specializes in managing portfolios of investments in MLPs and other energy infrastructure companies. The Adviser was formed in October 2002 to provide portfolio management services to institutional and high-net-worth investors seeking professional management of their MLP investments. As of May 31, 2006, the Adviser had approximately $1.7 billion of client assets under management. The Adviser s investment committee is comprised of five portfolio managers. See Management of the Company.

The Adviser also serves as investment adviser to Tortoise Energy Capital Corporation (TYY) and Tortoise North American Energy Corporation (TYN), which are recently organized, nondiversified, closed-end management investment companies. TYY, which commenced operations on May 31, 2005, invests primarily in equity securities of MLPs and their affiliates in the energy infrastructure sector. TYN, which commenced operations on October 31, 2005, invests primarily in equity securities of companies in the energy sector whose primary operations are in North America. In December 2005, the Adviser began managing the investments of Tortoise Capital Resources Corporation (TTO). TTO is a private investment fund created to invest primarily in privately held and micro-cap public companies in the U.S. energy infrastructure sector.

The principal business address of the Adviser is 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210.

The Offering

We may offer, from time to time, up to $125,000,000 of our securities, on terms to be determined at the time of the offering. We will offer our securities at prices and on terms to be set forth in one or more supplements to this prospectus. Subject to certain conditions, offerings of our common stock may be at prices below our net asset value (NAV). Preferred stock and debt securities (collectively, senior securities) may be auction rate securities, in which case the senior securities will not be listed on any exchange or automated quotation system. Rather, investors generally may only buy and sell senior securities through an auction conducted by an auction agent and participating broker-dealers.

While the number and amount of securities we may issue pursuant to this registration statement is limited to $125,000,000 of securities, our board of directors (the Board of Directors or the Board) may, without any action by the stockholders, amend our Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue.

We may offer our securities directly to one or more purchasers, through agents that we designate from time to time, or to or through underwriters or dealers. The prospectus supplement relating to the offering will identify any agents or underwriters involved in the sale of our securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between us and our agents or underwriters or among our underwriters or the basis upon which such amount may be calculated. See Plan of Distribution. We may not sell any of our securities through agents, underwriters or dealers without delivery of a prospectus supplement describing the method and terms of the offering of our securities.

Use of Proceeds

Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds from the sale of our securities primarily to invest in energy infrastructure companies in accordance with our investment objective and policies within approximately 3 months of receipt of such proceeds. We also may use sale proceeds for working capital purposes, including the payment of distributions, interest and operating expenses, although there is currently no intent to issue securities primarily for this purpose.

Tax Status of Company

Unlike most investment companies, we have not elected to be treated as a regulated investment company under the U.S. Internal Revenue Code of 1986, as amended (the Internal Revenue Code). Therefore, we are obligated to pay federal and applicable state corporate taxes on our taxable income. On the other hand, we are not subject to the Internal Revenue Code s diversification rules limiting the assets in which regulated investment companies can invest. Under current federal income tax law, these rules limit the amount that regulated investment companies may invest directly in the securities of MLPs to 25% of the value of their total assets. We invest a substantial portion of our assets in MLPs. Although MLPs generate taxable income to us, we expect the MLPs to pay cash distributions in excess of the taxable income reportable by us. Similarly, we expect to distribute substantially all of our distributable cash flow (DCF) (generally, cash from operations less certain operating expenses and reserves) to our common stockholders. However, unlike regulated investment companies, we are not effectively required by the Internal Revenue Code to distribute substantially all of our income and capital gains. See Certain Federal Income Tax Matters.

Distributions

We expect to distribute substantially all of our DCF to holders of common stock through quarterly distributions. DCF is the amount we receive as cash or paid-in-kind distributions from MLPs or their affiliates, and interest payments received on debt securities owned by us, less current or anticipated operating expenses, taxes on our taxable income, and leverage costs paid by us (including leverage costs of the Tortoise Notes and MMP Shares). Our Board of Directors adopted a policy to target distributions to common stockholders in an amount of at least 95% of DCF on an annual basis. We will pay distributions on our common stock each fiscal quarter out of DCF, if any. As of the date of this prospectus, we have paid distributions every quarter since inception. There is no assurance that we will continue to make regular distributions. If distributions paid to holders of our common and preferred stock exceed the current and accumulated earnings and profit allocated to the particular shares held by a stockholder, the excess of such distribution will constitute a tax-free return of capital to the extent of the stockholder s basis and capital gain thereafter. A return of capital reduces the basis of the shares held by a stockholder, which may increase the amount of gain recognized upon the sale of such shares. Our preferred stock and debt securities will pay dividends and interest, respectively, in accordance with their terms. So long as we have preferred stock and debt securities outstanding, we may not declare dividends on common or preferred stock unless we meet applicable asset coverage tests.

Principal Investment Policies

Under normal circumstances, we invest at least 90% of our total assets (including assets we obtain through leverage) in securities of energy infrastructure companies and invest at least 70% of our total assets in equity securities of MLPs. Energy infrastructure companies engage in the business of transporting, processing, storing, distributing or marketing natural gas, natural gas liquids (primarily propane), coal, crude oil or refined petroleum

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products, or exploring, developing, managing or producing such commodities. We invest solely in energy infrastructure companies organized in the United States. All publicly traded companies in which we invest have an equity market capitalization greater than $100 million.

Although we also may invest in equity and debt securities of energy infrastructure companies that are organized and/or taxed as corporations, it is likely that any such investments will be in debt securities because the dividends from equity securities of such corporations typically do not meet our investment objective. We also may invest in securities of general partners or other affiliates of MLPs and private companies operating energy infrastructure assets.

We have adopted the following additional nonfundamental investment policies:

We may invest up to 30% of our total assets in restricted securities, primarily through direct placements. Subject to this policy, we may invest without limitation in illiquid securities. The types of restricted securities that we may purchase include securities of private energy infrastructure companies and privately issued securities of publicly traded energy infrastructure companies. Restricted securities, whether issued by public companies or private companies, are generally considered illiquid. Investments in private companies that do not have any publicly traded shares or units are limited to 5% of total assets.

We may invest up to 25% of our total assets in debt securities of energy infrastructure companies, including securities rated below investment grade (commonly referred to as junk bonds). Below investment grade debt securities will be rated at least B3 by Moody s Investors Service, Inc. (Moody s) and at least B− by Standard & Poor s Ratings Group (S&P) at the time of purchase, or comparably rated by another statistical rating organization or if unrated, determined to be of comparable quality by the Adviser.

We will not invest more than 10% of total assets in any single issuer.

We will not engage in short sales.

We may change our nonfundamental investment policies without stockholder approval and will provide notice to stockholders of material changes (including notice through stockholder reports); provided, however, that a change in the policy of investing at least 90% of our total assets in energy infrastructure companies requires at least 60 days prior written notice to stockholders. Unless otherwise stated, all investment restrictions apply at the time of purchase and we will not be required to reduce a position due solely to market value fluctuations. The term total assets includes assets obtained through leverage for the purpose of each investment restriction.

Under adverse market or economic conditions, we may invest up to 100% of our total assets in securities issued or guaranteed by the U.S. Government or its instrumentalities or agencies, short-term debt securities, certificates of deposit, bankers acceptances and other bank obligations, commercial paper rated in the highest category by a rating agency or other fixed income securities deemed by the Adviser to be consistent with a defensive posture (collectively, short-term securities), or we may hold cash. To the extent we invest in short-term securities or cash for defensive purposes, such investments are inconsistent with, and may result in us not achieving, our investment objective.

We also may invest in short-term securities or cash pending investment of offering proceeds to meet working capital needs including, but not limited to, for collateral in connection with certain investment techniques, to hold a reserve pending payment of distributions, and to facilitate the payment of expenses and settlement of trades. The yield on such securities may be lower than the returns on MLPs or yields on lower rated fixed income securities.

Use of Leverage by the Company

The issuance of preferred stock and debt securities represents the leveraging of our common stock. The issuance of additional common stock will enable us to increase the aggregate amount of our leverage. Currently, we are using leverage and anticipate continuing to use leverage to represent approximately 33% of our total assets, including the proceeds of such leverage. However, we reserve the right at any time, if we believe that market conditions are appropriate, to use financial leverage to the extent permitted by the Investment Company Act of 1940, as amended (the 1940 Act) (50% of total assets for preferred stock and 331/3% of total assets for debt securities). The timing and terms of any leverage transactions will be determined by our Board of Directors.

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The use of leverage creates an opportunity for increased income and capital appreciation for common stockholders, but at the same time, it creates special risks that may adversely affect common stockholders. Because the Adviser s fee is based upon a percentage of our Managed Assets (as defined below), the Adviser s fee is higher when we are leveraged. Therefore, the Adviser has a financial incentive to use leverage, which will create a conflict of interest between the Adviser and our common stockholders. There can be no assurance that a leveraging strategy will be successful during any period in which it is used. The use of leverage involves risks, which can be significant. See Leverage and Risk Factors Additional Risks to Common Stockholders Leverage Risk.

We currently use, and may in the future use, interest rate transactions for hedging purposes only, in an attempt to reduce the interest rate risk arising from our leveraged capital structure. We do not intend to hedge the interest rate risk of our portfolio holdings. Interest rate transactions that we may use for hedging purposes may expose us to certain risks that differ from the risks associated with our portfolio holdings. See Leverage Hedging Transactions and Risk Factors Company Risks Hedging Strategy Risk.

Conflicts of Interest

Conflicts of interest may arise from the fact that the Adviser and its affiliates carry on substantial investment activities for other clients, in which we have no interest. The Adviser or its affiliates may have financial incentives to favor certain of these accounts over us. Any of their proprietary accounts or other customer accounts may compete with us for specific trades. The Adviser or its affiliates may give advice and recommend securities to, or buy or sell securities for, other accounts and customers, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, us, even though their investment objectives may be the same as, or similar to, our objectives.

Situations may occur when we could be disadvantaged because of the investment activities conducted by the Adviser and its affiliates for their other accounts. Such situations may be based on, among other things, the following: (1) legal or internal restrictions on the combined size of positions that may be taken for us or the other accounts, thereby limiting the size of our position; (2) the difficulty of liquidating an investment for us or the other accounts where the market cannot absorb the sale of the combined position; or (3) limits on co-investing in private placement securities under the 1940 Act. Our investment opportunities may be limited by affiliations of the Adviser or its affiliates with energy infrastructure companies. See Investment Objective and Principal Investment Strategies Conflicts of Interest.

Company Risks

Our NAV, our ability to make distributions, our ability to service debt securities and preferred stock, and our ability to meet asset coverage requirements depends on the performance of our investment portfolio. The performance of our investment portfolio is subject to a number of risks, including the following:

Concentration Risk. Under normal circumstances, we concentrate our investments in the energy infrastructure sector, with an emphasis on securities issued by MLPs. The primary risks inherent in the energy infrastructure industry include the following: (1) the performance and level of distributions of MLPs can be affected by direct and indirect commodity price exposure, (2) a decrease in market demand for natural gas or other energy commodities could adversely affect MLP revenues or cash flows, (3) energy infrastructure assets deplete over time and must be replaced, and (4) a rising interest rate environment could increase an MLP s cost of capital.

Industry Specific Risk. Energy infrastructure companies also are subject to risks specific to the industry they serve. For risks specific to the pipeline, processing, propane and coal industries, see Risk Factors Company Risks Industry Specific Risk.

MLP Risk. We invest primarily in equity securities of MLPs. As a result, we are subject to the risks associated with an investment in MLPs, including cash flow risk and tax risk. Cash flow risk is the risk that MLPs will not make distributions to holders (including us) at anticipated levels or that such distributions will not have the expected tax character. MLPs also are subject to tax risk, which is the risk that MLPs might lose their partnership status for tax purposes.

Equity Securities Risk. MLP common units and other equity securities can be affected by macro economic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards MLPs or the energy sector, changes in a particular issuer s financial condition, or unfavorable or unanticipated poor performance of a particular issuer (in the case of MLPs, generally measured in terms of DCF). Prices of common units of individual MLPs and other equity securities also can be affected by fundamentals unique to the partnership or company, including size, earnings power, coverage ratios and characteristics and features of different classes of securities. See Risk Factors Company Risks Equity Securities Risk.

Hedging Strategy Risk. We currently use, and may in the future use, interest rate transactions for hedging purposes only, in an attempt to reduce the interest rate risk arising from our leveraged capital structure. Interest rate transactions that we may use for hedging purposes, such as swaps, caps and floors, will expose us to certain risks that differ from the risks associated with our portfolio holdings. See Risk Factors Company Risks Hedging Strategy Risk.

Competition Risk. At the time we completed our initial public offering in February 2004, we were the only publicly traded investment company offering access to a portfolio of energy infrastructure MLPs. Since that time a number of alternative vehicles for investment in a portfolio of energy infrastructure MLPs, including other publicly traded investment companies and private funds, have emerged. In addition, recent tax law changes have increased the ability of regulated investment companies or other institutions to invest in MLPs. These competitive conditions may adversely impact our ability to meet our investment objective, which in turn could adversely impact our ability to make interest or dividend payments.

Restricted Security Risk. We may invest up to 30% of total assets in restricted securities, primarily through direct placements. Restricted securities are less liquid than securities traded in the open market because of statutory and contractual restrictions on resale. Such securities are, therefore, unlike securities that are traded in the open market, which can be expected to be sold immediately if the market is adequate. This lack of liquidity creates special risks for us. See Risk Factors Company Risks Restricted Security Risk.

Liquidity Risk. Certain MLP securities may trade less frequently than those of other companies due to their smaller capitalizations. Investments in securities that are less actively traded or over time experience decreased trading volume may be difficult to dispose of when we believe it is desirable to do so, may restrict our ability to take advantage of other opportunities, and may be more difficult to value.

Valuation Risk. We may invest up to 30% of total assets in restricted securities, which are subject to restrictions on resale. The value of such investments ordinarily will be based on fair valuations determined by the Adviser pursuant to procedures adopted by the Board of Directors. Restrictions on resale or the absence of a liquid secondary market may affect adversely our ability to determine NAV. The sale price of securities that are restricted or otherwise are not readily marketable may be higher or lower than our most recent valuations.

Nondiversification Risk. We are a nondiversified investment company under the 1940 Act and we are not a regulated investment company under the Internal Revenue Code. Accordingly, there are no limits under the 1940 Act or Internal Revenue Code with respect to the number or size of issuers held by us and we may invest more assets in fewer issuers as compared to a diversified fund.

Management Risk. The Adviser was formed in October 2002 to provide portfolio management services to institutional and high-net worth investors seeking professional management of their MLP investments. The Adviser has been managing our portfolio since we began operations in February 2004. The Adviser has seventeen full-time employees, but also relies on the officers, employees, and resources of its affiliate, Fountain Capital Management, L.L.C. (Fountain Capital) and its affiliates, for certain functions.

See Risk Factors Company Risks for a more detailed discussion of these and other risks of investing in our securities.

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Additional Risks to Common Stockholders

Leverage Risk. We are currently leveraged and intend to continue to use leverage primarily for investment purposes. Leverage, which is a speculative technique, could cause us to lose money and can magnify the effect of any losses. There is no assurance that a leveraging strategy will be successful. Currently, we anticipate using leverage to represent approximately 33% of our total assets, including the proceeds from such leverage. However, we reserve the right at any time, if we believe that market conditions are appropriate, to use financial leverage to the extent permitted by the 1940 Act (50% for preferred stock and 331/3% for debt securities).

Market Impact Risk. The sale of our common stock (or the perception that such sales may occur) may have an adverse effect on prices in the secondary market for our common stock by increasing the number of shares available, which may put downward pressure on the market price for our common stock. Our ability to sell shares of common stock below NAV may increase this pressure. These sales also might make it more difficult for us to sell additional equity securities in the future at a time and price we deem appropriate.

Dilution Risk. The voting power of current stockholders will be diluted to the extent that such stockholders do not purchase shares in any future common stock offerings or do not purchase sufficient shares to maintain their percentage interest. In addition, if we sell shares of common stock below NAV, our NAV will fall immediately after such issuance. See Description of Securities Common Stock Issuance of Additional Shares which includes a table reflecting the dilutive effect of selling our common stock below NAV.

If we are unable to invest the proceeds of such offering as intended, our per share distribution may decrease and we may not participate in market advances to the same extent as if such proceeds were fully invested as planned.

Market Discount Risk. Our common stock has a limited trading history and has traded both at a premium and at a discount in relation to NAV. We cannot predict whether our shares will trade in the future at a premium or discount to NAV.

See Risk Factors Additional Risks to Common Stockholders for a more detailed discussion of these risks.

Additional Risks to Senior Security Holders

Additional risks of investing in senior securities, which will likely be auction rate securities, include the following:

Interest Rate Risk. To the extent that senior securities trade through an auction, such securities pay dividends or interest based on short-term interest rates. If short-term interest rates rise, dividends or interest on the auction rate senior securities may rise so that the amount of dividends or interest due to holders of auction rate senior securities would exceed the cash flow generated by our portfolio securities. This might require that we sell portfolio securities at a time when we would otherwise not do so, which may affect adversely our future ability to generate cash flow. In addition, rising market interest rates could impact negatively the value of our investment portfolio, reducing the amount of assets serving as asset coverage for the senior securities.

Senior Leverage Risk. Our preferred stock will be junior in liquidation and with respect to distribution rights to our debt securities and any other borrowings. Senior securities representing indebtedness may constitute a substantial lien and burden on preferred stock by reason of their prior claim against our income and against our net assets in liquidation. We may not be permitted to declare dividends or other distributions with respect to any series of our preferred stock unless at such time we meet applicable asset coverage requirements and the payment of principal or interest is not in default with respect to the Tortoise Notes or any other borrowings.

Ratings and Asset Coverage Risk. To the extent that senior securities are rated, a rating does not eliminate or necessarily mitigate the risks of investing in our senior securities, and a rating may not fully or accurately reflect all of the credit and market risks associated with that senior security. A rating agency could downgrade the rating of our shares of preferred stock or debt securities, which may make such securities less liquid at an auction or in the secondary market, though probably with higher resulting interest rates. If a rating agency downgrades the rating assigned to a senior security, we may alter our portfolio or redeem the senior security. We may voluntarily redeem a senior security under certain circumstances.

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Inflation Risk. Inflation is the reduction in the purchasing power of money resulting from an increase in the price of goods and services. Inflation risk is the risk that the inflation adjusted or real value of an investment in preferred stock or debt securities or the income from that investment will be worth less in the future. As inflation occurs, the real value of the preferred stock or debt securities and the dividend payable to holders of preferred stock or debt securities declines.

Auction Risk. To the extent that senior securities trade through an auction, there are certain risks associated with participating in an auction and certain risks if you try to sell senior securities outside of an auction in the secondary market. These risks will be described in more detail in an applicable prospectus supplement if we issue senior securities pursuant to this registration statement.

Decline in Net Asset Value Risk. A material decline in our NAV may impair our ability to maintain required levels of asset coverage for our preferred stock or debt securities.

See Risk Factors Additional Risks to Senior Security Holders for a more detailed discussion of these risks.

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SUMMARY OF COMPANY EXPENSES

The following table contains information about the costs and expenses that common stockholders will bear directly or indirectly. In accordance with SEC requirements, the table below shows our expenses, including leverage costs, as a percentage of our average net assets, and not as a percentage of gross assets or Managed Assets. By showing expenses as a percentage of average net assets, expenses are not expressed as a percentage of all of the assets we invest. The table is based on our capital structure as of February 28, 2006. As of that date, we had $235 million in senior securities outstanding (MMP Shares with an aggregate liquidation preference of $70 million and Tortoise Notes in an aggregate principal amount of $165 million). Such senior securities represent 32.7% of total assets as of February 28, 2006.

Stockholder Transaction Expense

Sales Load (as a percentage of offering price)	[1]
Offering Expenses Borne by the Company (as a percentage of offering price)	[1]
Dividend Reinvestment Plan Fees[2]	None

Annual Expenses	**Percentage of Net Assets Attributable to Common Stockholders**
Management Fee	1.62%
Leverage Costs[3]	2.62%
Other Expenses[4]	0.34%
Total Annual Expenses[5]	4.58%
Less Fee and Expense Reimbursement (through 2/28/09)[6]	(0.17)%
Net Annual Expenses[5]	4.41%

(1) If the securities to which this prospectus relates are sold to or through underwriters, the prospectus supplement will set forth any applicable sales load and the estimated offering expenses borne by us.

(2) Stockholders will pay a transaction fee plus brokerage charges if they direct the Plan Agent to sell common stock held in a dividend reinvestment account. See Automatic Dividend Reinvestment Plan.

(3) Leverage Costs in the table reflect the weighted average cost of MMP Shares and Tortoise Notes, expressed as a percentage of average net assets. Because Tortoise Notes and MMP Shares were fully hedged under swap agreements as of February 28, 2006, the Leverage Costs are based on the rates payable under the swap agreements as of February 28, 2006. As of that date, the interest payable on Tortoise Notes exceeded the interest payable under the swap agreements. As of February 28, 2006, the interest payable under the swap agreements exceeded the dividends payable on MMP Shares.

(4) Other Expenses are based on estimated amounts for the current fiscal year and do not include the expenses of leverage. Other Expenses do not include income tax expense (benefit) related to realized or unrealized investment and interest rate swap gains or losses.

(5) If the Total Annual Expenses and Net Annual Expenses of the Company were expressed as a percentage of average Managed Assets (assuming $235 million in leverage), Total Annual Expenses would be 2.68% and the Net Annual Expenses would be 2.58%.

(6) Beginning March 1, 2006, the Adviser has contractually agreed to reimburse us for expenses in an amount equal to 0.10% of our average monthly Managed Assets, which represents 0.17% of our average net assets as of February 28, 2006. The management fee and reimbursement are expressed as a percentage of average net assets in the table. Because holders of preferred stock and debt securities do not bear management fees and other expenses, the cost to common stockholders increases as leverage increases.

The purpose of the table above and the example below is to help investors understand the fees and expenses that they, as common stockholders, would bear directly or indirectly. For additional information with respect to our expenses, see Management of the Company.

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Example:

The following example illustrates the expenses that common stockholders would pay on a $1,000 investment in common stock, assuming (1) total annual expenses of 4.41% of average net assets attributable to common shares in years 1 through 3 and increasing to 4.58% in years 4 through 10; and (2) a 5% annual return:(1)

	1 Year	3 Years	5 Years	10 Years
Total Expenses Paid by Common Stockholders[(2)(3)]	$ 44	$ 133	$ 227	$ 465

(1) This example also assumes that (1) we have issued $235 million in senior securities; (2) the estimated Other Expenses set forth in the fee table are accurate; (3) all distributions are reinvested at NAV; and (4) the cost of leverage is 2.62%. The cost of leverage is expressed as a percentage and represents the weighted average rates payable under the swap agreements on Tortoise Notes and MMP Shares. Without leverage, the 1 year, 3 years, 5 years and 10 years expenses would be $18, $56, $101, and $224, respectively. **The example should not be considered a representation of future expenses. Actual expenses may be greater or less than those assumed. Moreover, our actual rate of return may be greater or less than the hypothetical 5% return shown in the example.**

(2) Assumes reimbursement of expenses of 0.17% of average net assets in years one through three. The Adviser has not agreed to reimburse expenses for any year beyond 2009.

(3) The example above does not include sales loads or estimated offering costs.

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FINANCIAL HIGHLIGHTS

Information contained in the table below under the heading Per Common Share Data and Supplemental Data and Ratios shows our per common share operating performance. Except when noted, the information in this table is derived from our financial statements audited by Ernst & Young LLP, whose report on such financial statements is contained in the statement of additional information and is available from us.

	Period from December 1, 2005 through February 28, 2006 (Unaudited)	Year Ended November 30, 2005	Period from February 27, 2004[1] through November 30, 2004
Per Common Share Data[2]			
Net Asset Value, beginning of period	$ 27.12	$ 26.53	$
Public offering price			25.00
Underwriting discounts and offering costs on initial public offering			(1.17)
Underwriting discounts and offering costs on issuance of preferred shares		(0.02)	(0.06)
Premiums and underwriting discounts and offering costs on secondary offering[3]			
Income (loss) from Investment Operations:			
Net investment loss[4]	(0.04)	(0.16)	(0.03)
Net realized and unrealized gain on investments[4]	1.00	2.67	3.77
Total increase from investment operations	0.96	2.51	3.74
Less Dividends to Preferred Stockholders:			
Net investment income			
Return of capital	(0.05)	(0.11)	(0.01)
Total dividends to preferred stockholders	(0.05)	(0.11)	(0.01)
Less Dividends to Common Stockholders:			
Net investment income			
Return of capital	(0.48) &n		