

TENNECO INC
Form SC 13G
February 16, 2010

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

SCHEDULE 13G
(Rule 13d-102)

Information Statement Pursuant to Rules 13d-1 and 13d-2
Under the Securities Exchange Act of 1934
(Amendment No. ___)*

Tenneco Inc.

(Name of Issuer)

Common Stock, \$0.01 par value

(Title of Class of Securities)

880349105

(CUSIP Number)

February 5, 2010

Date of Event Which Requires Filing of the Statement

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the

Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Citadel Advisors LLC
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ..
(b) ..

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

| | |
|--|---------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5. SOLE VOTING POWER 0 |
| 6. SHARED VOTING POWER | 3,357,546 shares |
| 7. SOLE DISPOSITIVE POWER | 0 |
| 8. SHARED DISPOSITIVE POWER | See Row 6 above. |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
See Row 6 above.

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES

..

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.7%1

12. TYPE OF REPORTING PERSON
IA; OO; HC

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The percentages reported in this Schedule 13G are based upon 59,393,593 shares of Common Stock outstanding (composed of (i) 47,393,593 shares of Common Stock outstanding as of October 30, 2009 (according to the Form 10-Q filed by the issuer on November 6, 2009), plus (ii) 12,000,000 shares of Common Stock reported to be issued by the issuer on November 24, 2009 in a Form 8-K filed by the issuer on November 24, 2009).

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1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Citadel Holdings II LP

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ..
(b) ..

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

| | |
|--|---------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5. SOLE VOTING POWER 0 |
| 6. SHARED VOTING POWER | 3,357,546 shares |
| 7. SOLE DISPOSITIVE POWER | 0 |
| 8. SHARED DISPOSITIVE POWER | See Row 6 above. |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
See Row 6 above.

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES

..

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.7%

12. TYPE OF REPORTING PERSON
PN; HC

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1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Citadel Global Equities Master Fund Ltd.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)
(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION
Cayman Islands

| | | |
|--|----|--|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5. | SOLE VOTING POWER 0 |
| | 6. | SHARED VOTING POWER 3,179,527 shares |
| | 7. | SOLE DISPOSITIVE POWER 0 |
| | 8. | SHARED DISPOSITIVE POWER See Row 6 above. |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
See Row 6 above.

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.4%

12. TYPE OF REPORTING PERSON
CO

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1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Citadel Investment Group II, L.L.C.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ..
(b) ..

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

| | | |
|--|----|--|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5. | SOLE VOTING POWER 0 |
| | 6. | SHARED VOTING POWER 3,410,355 shares |
| | 7. | SOLE DISPOSITIVE POWER 0 |
| | 8. | SHARED DISPOSITIVE POWER See Row 6 above. |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
See Row 6 above.

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.7%

12. TYPE OF REPORTING PERSON

OO; HC

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1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Kenneth Griffin

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ..
(b) ..

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION
U.S. Citizen

| | |
|--|---------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5. SOLE VOTING POWER 0 |
| 6. SHARED VOTING POWER | 3,410,355 shares |
| 7. SOLE DISPOSITIVE POWER | 0 |
| 8. SHARED DISPOSITIVE POWER | See Row 6 above. |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
See Row 6 above.

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES

..

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.7%

12. TYPE OF REPORTING PERSON
IN; HC

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Item 1(a) Name of Issuer
Tenneco Inc.

Item 1(b) Address of Issuer's Principal Executive Offices
550 North Field Drive, Lake Forest, Illinois 60045

Item 2(a) Name of Person Filing

This Schedule 13G is being jointly filed by Citadel Advisors LLC ("Citadel Advisors"), Citadel Holdings II LP ("CH-II"), Citadel Global Equities Master Fund Ltd. ("CG"), Citadel Investment Group II, L.L.C. ("CIG-II") and Mr. Kenneth Griffin (collectively with Citadel Advisors, CH-II, CG and CIG-II, the "Reporting Persons") with respect to shares of Common Stock of the above-named issuer (and/or options to purchase such shares) owned by Citadel Derivatives Trading Ltd., a Cayman Islands limited company ("CDT"), CG, Citadel Securities LLC, a Delaware limited liability company ("Citadel Securities"), and certain segregated accounts.

Citadel Advisors is the investment manager for CG and certain segregated accounts, and the portfolio manager for CDT. CH-II is the managing member of Citadel Advisors. Citadel Holdings I LP, a Delaware limited partnership ("CH-I"), is the non-member manager of Citadel Securities. CIG-II is the general partner of CH-I and CH-II. Mr. Griffin is the President and Chief Executive Officer of, and owns a controlling interest in, CIG-II.

The filing of this statement shall not be construed as an admission that any of the Reporting Persons is the beneficial owner of any securities covered by the statement other than the securities actually owned by such person (if any).

Item 2(b) Address of Principal Business Office

The address of the principal business office of each of the Reporting Persons is c/o Citadel Investment Group, L.L.C., 131 S. Dearborn Street, 32nd Floor, Chicago, Illinois 60603.

Item 2(c) Citizenship

Each of Citadel Advisors and CIG-II is organized as a limited liability company under the laws of the State of Delaware. CH-II is organized as a limited partnership under the laws of the State of Delaware. CG is organized as a limited company under the laws of the Cayman Islands. Mr. Griffin is a U.S. citizen.

Item 2(d) Title of Class of Securities
Common Stock, \$0.01 par value

Item 2(e) CUSIP Number
880349105

Item 3 If this statement is filed pursuant to Rules 13d-1(b), or 13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under Section 15 of the Exchange Act;
- (b) Bank as defined in Section 3(a)(6) of the Exchange Act;

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- (c) Insurance company as defined in Section 3(a)(19) of the Exchange Act;
- (d) Investment company registered under Section 8 of the Investment Company Act;
- (e) An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act;
- (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act;
- (j) Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If filing as a non-U.S. institution in accordance with Rule 13d-1(b)(1)(ii)(J), please specify the type of institution:
_____.

Item 4

Ownership

A. Citadel Advisors LLC

- (a) Citadel Advisors may be deemed to beneficially own 3,357,546 shares of Common Stock.
- (b) The number of shares Citadel Advisors may be deemed to beneficially own constitutes approximately 5.7% of the Common Stock outstanding.

(c) Number of shares as to which such person has:

- (i) sole power to vote or to direct the vote: 0
- (ii) shared power to vote or to direct the vote: 3,357,546
- (iii) sole power to dispose or to direct the disposition of: 0
- (iv) shared power to dispose or to direct the disposition of: 3,357,546

B. Citadel Holdings II LP

- (a) CH-II may be deemed to beneficially own 3,357,546 shares of Common Stock.
- (b) The number of shares CH-II may be deemed to beneficially own constitutes approximately 5.7% of the Common Stock outstanding.

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(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote: 0

(ii) shared power to vote or to direct the vote: 3,357,546

(iii) sole power to dispose or to direct the disposition of: 0

(iv) shared power to dispose or to direct the disposition of: 3,357,546

C. Citadel Global Equities Master Fund Ltd.

(a) CG may be deemed to beneficially own 3,179,527 shares of Common Stock.

(b) The number of shares CG may be deemed to beneficially own constitutes approximately 5.4% of the Common Stock outstanding.

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote: 0

(ii) shared power to vote or to direct the vote: 3,179,527

(iii) sole power to dispose or to direct the disposition of: 0

(iv) shared power to dispose or to direct the disposition of: 3,179,527

D. Citadel Investment Group II, L.L.C.

(a) CIG-II may be deemed to beneficially own 3,410,355 shares of Common Stock.

(b) The number of shares CIG-II may be deemed to beneficially own constitutes approximately 5.7% of the Common Stock outstanding.

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote: 0

(ii) shared power to vote or to direct the vote: 3,410,355

(iii) sole power to dispose or to direct the disposition of: 0

(iv) shared power to dispose or to direct the disposition of: 3,410,355

E. Kenneth Griffin

(a) Mr. Griffin may be deemed to beneficially own 3,410,355 shares of Common Stock.

(b) The number of shares Mr. Griffin may be deemed to beneficially own constitutes approximately 5.7% of the Common Stock outstanding.

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote: 0

(ii) shared power to vote or to direct the vote: 3,410,355

(iii) sole power to dispose or to direct the disposition of: 0

(iv) shared power to dispose or to direct the disposition of: 3,410,355

Item 5

Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following o.

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After reasonable inquiry and to the best of its knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated this 16th day of February, 2010.

CITADEL ADVISORS LLC

By: Citadel Holdings II LP,
its Managing Member

By: Citadel Investment Group II, L.L.C.,
its General Partner

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

CITADEL GLOBAL EQUITIES MASTER
FUND LTD.

By: Citadel Advisors LLC,
its Investment Manager

By: Citadel Holdings II LP,
its Managing Member

By: Citadel Investment Group II, L.L.C.,
its General Partner

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

KENNETH GRIFFIN

By: /s/ John C. Nagel
John C. Nagel, attorney-in-fact*

CITADEL HOLDINGS II LP

By: Citadel Investment Group II, L.L.C.,
its General Partner

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

CITADEL INVESTMENT GROUP II, L.L.C.

By: /s/ John C. Nagel
John C. Nagel, Authorized Signatory

*John C. Nagel is signing on behalf of Kenneth Griffin as attorney-in-fact pursuant to a power of attorney previously filed with the Securities and Exchange Commission on February 24, 2006, and hereby incorporated by reference herein. The power of attorney was filed as an attachment to a filing by Citadel Limited Partnership on Schedule 13G for Morgans Hotel Group Co.

