

PLAINS ALL AMERICAN PIPELINE LP

Form 424B2

March 05, 2012

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Filed pursuant to Rule 424(b)(2)  
Registration No. 333-162475

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated March 5, 2012

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus Dated October 14, 2009)

**5,000,000 Common Units**

**Representing Limited Partner Interests**

**\$ per Common Unit**

We are selling 5,000,000 of our common units in this offering. Our common units are listed on the New York Stock Exchange under the symbol PAA. The last reported sale price of our common units on the New York Stock Exchange on March 2, 2012 was \$83.08 per common unit.

*Investing in our common units involves risks. See Risk Factors on page S-5 of this prospectus supplement.*

	Per Common Unit	Total
Public Offering Price	\$	\$

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Underwriting Discount	\$	\$
Proceeds to Plains All American Pipeline, L.P. (before expenses)	\$	\$
Delivery of the common units is expected to be made on or about March , 2012.		

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 the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We have granted the underwriters a 30-day option to purchase up to 750,000 additional common units to cover over-allotments.

### *Joint Book-Running Managers*

**Barclays Capital  
J.P. Morgan**

**BofA Merrill Lynch  
UBS Investment Bank**  
*Co-Managers*

**Citigroup  
Wells Fargo Securities**

**Raymond James  
Baird**

**Global Hunter Securities**

**Oppenheimer & Co.**

**RBC Capital Markets  
Stifel Nicolaus Weisel**

The date of this prospectus supplement is March , 2012.

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**IMPORTANT NOTICE ABOUT INFORMATION IN THIS**

**PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is the prospectus supplement, which describes our business and the specific terms of this offering. The second part, the base prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined.

If the description of the offering varies between the prospectus supplement and the base prospectus, you should rely on the information in the prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus or any free writing prospectus relating to this offering of common units. Neither we nor the underwriters have authorized anyone to provide you with different information. We are not making an offer of the common units in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus, any free writing prospectus or in the documents incorporated by reference in this prospectus is accurate as of any date other than the date on the front of those documents.

The information in this prospectus supplement is not complete. You should review carefully all of the detailed information appearing in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference before making any investment decision.

**FORWARD-LOOKING STATEMENTS**

All statements included or incorporated by reference in this prospectus supplement, other than statements of historical fact, are forward-looking statements, including but not limited to statements identified by the words anticipate, believe, estimate, expect, plan, intend and forecast as similar expressions and statements regarding our business strategy, plans and objectives for future operations. The absence of these words, however, does not mean that the statements are not forward-looking. These statements reflect our current views with respect to future events, based on what we believe to be reasonable assumptions. Certain factors could cause actual results to differ materially from results anticipated in the forward-looking statements. The most important of these factors include, but are not limited to:

failure to consummate and integrate the BP NGL Acquisition;

failure to implement or capitalize on planned internal growth projects;

maintenance of our credit rating and ability to receive open credit from our suppliers and trade counterparties;

continued creditworthiness of, and performance by, our counterparties, including financial institutions and trading companies with which we do business;

the effectiveness of our risk management activities;

unanticipated changes in crude oil market structure, grade differentials and volatility (or lack thereof);

environmental liabilities or events that are not covered by an indemnity, insurance or existing reserves;

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abrupt or severe declines or interruptions in outer continental shelf production located offshore California and transported on our pipeline systems;

shortages or cost increases of supplies, materials or labor;

the availability of adequate third-party production volumes for transportation and marketing in the areas in which we operate and other factors that could cause declines in volumes shipped on our pipelines by us and third-party shippers, such as declines in production from existing oil and gas reserves or failure to develop additional oil and gas reserves;

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fluctuations in refinery capacity in areas supplied by our mainlines and other factors affecting demand for various grades of crude oil, refined products and natural gas and resulting changes in pricing conditions or transportation throughput requirements;

the availability of, and our ability to consummate, acquisition or combination opportunities;

our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness;

the successful integration and future performance of acquired assets or businesses and the risks associated with operating in lines of business that are distinct and separate from our historical operations;

the impact of current and future laws, rulings, governmental regulations, accounting standards and statements and related interpretations;

the effects of competition;

interruptions in service on third-party pipelines;

increased costs or lack of availability of insurance;

fluctuations in the debt and equity markets, including the price of our units at the time of vesting under our long-term incentive plans;

the currency exchange rate of the Canadian dollar;

weather interference with business operations or project construction;

risks related to the development and operation of natural gas storage facilities;

factors affecting demand for natural gas and natural gas storage services and rates;

general economic, market or business conditions and the amplification of other risks caused by volatile financial markets, capital constraints and pervasive liquidity concerns; and

other factors and uncertainties inherent in the transportation, storage, terminalling and marketing of crude oil and refined products, as well as in the storage of natural gas and the processing, transportation, fractionation, storage and marketing of natural gas liquids.

Other factors described herein or incorporated by reference, as well as factors that are unknown or unpredictable, could also have a material adverse effect on future results. Such factors are described in Risk Factors on page S-5 of this prospectus supplement and in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 001-14569), which is incorporated in this

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prospectus supplement by reference. Except as required by applicable securities laws, we do not intend to update these forward-looking statements and information.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights information contained elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before making an investment decision. You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated herein by reference for a more complete understanding of this offering of common units. Please read "Risk Factors" on page S-5 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2011, which is incorporated into this prospectus supplement by reference, for information regarding risks you should consider before investing in our common units.*

*Except as the context otherwise indicates, the information in this prospectus supplement assumes no exercise of the underwriters' option to purchase additional common units.*

*For purposes of this prospectus supplement and the accompanying prospectus, unless the context clearly indicates otherwise, "PAA," "we," "us," "our" and the "Partnership" refer to Plains All American Pipeline, L.P. and its subsidiaries. References to our "general partner," as the context requires, include any or all of PAA GP LLC, Plains AAP, L.P. and Plains All American GP LLC.*

***Plains All American Pipeline, L.P.***

We are a Delaware limited partnership formed in September 1998. Our operations are conducted directly and indirectly through our primary operating subsidiaries. We engage in the transportation, storage, terminalling and marketing of crude oil and refined products, as well as in the processing, transportation, fractionation, storage and marketing of natural gas liquids ( "NGL"). The term NGL includes ethane and natural gasoline products as well as propane and butane, products which are commonly referred to as liquefied petroleum gas ( "LPG").

We also own and operate natural gas storage facilities through our direct and indirect ownership of PAA Natural Gas Storage, L.P. ( "PNG"), which is a fee-based, growth-oriented Delaware limited partnership engaged in the ownership, acquisition, development, operation and commercial management of natural gas storage facilities. We own PNG's general partner, PNGS GP LLC, which holds a 2% general partner interest in PNG and all of its incentive distributions rights. We also currently own an approximate 62% limited partner interest in PNG.

We are one of the largest midstream crude oil companies in North America. We have an extensive network of pipeline transportation, terminalling, storage and gathering assets in key oil-producing basins and transportation corridors, and at major market hubs in the United States and Canada. We manage our operations through three primary operating segments: transportation, facilities and supply and logistics.

***Business Strategy***

Our principal business strategy is to provide competitive and efficient midstream transportation, terminalling, storage, processing, fractionation and supply and logistics services to our producer, refiner and other customers. Toward this end, we endeavor to address regional supply and demand imbalances for crude oil, refined products, NGL and natural gas in the United States and Canada by combining the strategic location and capabilities of our transportation, terminalling, storage, processing and fractionation assets with our extensive supply, logistics and distribution expertise.

We believe successful execution of this strategy will enable us to generate sustainable earnings and cash flow. We intend to manage and grow our business by:

optimizing our existing assets and realizing cost efficiencies through operational improvements;



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using our transportation, terminalling, storage, processing and fractionation assets in conjunction with our supply and logistics activities to capitalize on inefficient energy markets and to address physical market imbalances, mitigate inherent risks and increase margin;

developing and implementing internal growth projects that (i) address evolving crude oil, refined products, natural gas and NGL needs in the midstream transportation and infrastructure sector and (ii) are well-positioned to benefit from long-term industry trends and opportunities;

selectively pursuing strategic and accretive acquisitions that complement our existing asset base and distribution capabilities; and

capitalizing on the anticipated long-term growth in demand for natural gas storage services in North America by owning and operating high-quality natural gas storage facilities and providing our current and future customers reliable, competitive and flexible natural gas storage and related services through our ownership interest in PNG.

### ***Ongoing Acquisition Activities***

Consistent with our business strategy, we are continuously engaged in discussions with potential sellers regarding the possible purchase of assets and operations that are strategic and complementary to our existing operations. In addition, we have in the past evaluated and pursued, and intend in the future to evaluate and pursue, other energy-related assets that have characteristics and opportunities similar to our existing business lines and enable us to leverage our asset base, knowledge base and skill sets. Such acquisition efforts may involve participation by us in processes that have been made public and involve a number of potential buyers, commonly referred to as auction processes, as well as situations in which we believe we are the only party or one of a limited number of potential buyers in negotiations with the potential seller. These acquisition efforts often involve assets which, if acquired, could have a material effect on our financial condition and results of operations.

We typically do not announce a transaction until after we have executed a definitive acquisition agreement. However, in certain cases in order to protect our business interests or for other reasons, we may defer public announcement of an acquisition until closing or a later date. Past experience has demonstrated that discussions and negotiations regarding a potential acquisition can advance or terminate in a short period of time. Moreover, the closing of any transaction for which we have entered into a definitive acquisition agreement will be subject to customary and other closing conditions, which may not ultimately be satisfied or waived. Accordingly, we can give no assurance that our current or future acquisition efforts will be successful. Although we expect the acquisitions we make to be accretive in the long term, we can provide no assurance that our expectations will ultimately be realized.

### ***Pending BP NGL Acquisition***

On December 1, 2011, we entered into a definitive agreement to acquire (the BP NGL Acquisition) all outstanding shares of BP Canada Energy Company, a wholly owned subsidiary of BP Corporation North America Inc. (BP North America). Total consideration for the acquisition, which will be based on an October 1, 2011 effective date, is approximately \$1.67 billion, subject to working capital and other adjustments. A cash deposit of \$50 million was paid upon signing, and the balance, plus 2% interest from October 1, 2011, is payable in cash upon closing. Subject to Canadian and U.S. regulatory approvals and other customary closing conditions, the acquisition is expected to close in the second quarter of 2012.

Upon completion of this acquisition, we will become the indirect owner of all of BP North America's Canadian-based NGL business and certain of BP North America's NGL assets located in the upper-Midwest United States (collectively the BP NGL Assets). The BP NGL Assets to be acquired include varying ownership interests and contractual rights relating to approximately 2,600 miles of NGL pipelines; approximately 20 million barrels of NGL storage capacity; seven fractionation plants with an aggregate net

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capacity of approximately 232,000 barrels per day; four straddle plants and two field gas processing plants with an aggregate net capacity of approximately six billion cubic feet ( Bcf ) per day; and long-term and seasonal NGL inventories of approximately 10 million barrels as of October 1, 2011. Certain of these pipelines and storage assets are currently inactive. The acquired business also includes various third party supply contracts at other field gas processing plants and a supply contract relating to a third-party owned straddle plant with throughput capacity of 2.5 Bcf per day, shipping arrangements on third-party NGL pipelines and long-term leases on 720 rail cars used to move product among various locations. Collectively, these assets and activities provide access to approximately 140,000 to 150,000 barrels per day of NGL supply that are transported through an integrated network to fractionation facilities and markets in Western and Eastern Canada and in the United States. Subject to closing the transaction, we have also entered into an Integrated Supply and Trading Agreement, pursuant to which an affiliate of BP North America will, for a period of two years following the closing of the acquisition, continue to provide sourcing services for gas supply to feed certain of the straddle plants to be acquired as a result of the acquisition.

There can be no assurance that the BP NGL Acquisition will be completed in the anticipated time frame, or at all, or that the anticipated benefits of the BP NGL Acquisition will be realized.

We intend to use the net proceeds of this offering (as well as the proceeds from any exercise of the underwriters' option to purchase additional common units) to fund a portion of the consideration for the BP NGL Acquisition. Pending the application of the net proceeds to fund the BP NGL Acquisition, we intend to repay all borrowings outstanding under the PAA credit facilities and use the balance for general partnership purposes. If the BP NGL Acquisition is not consummated for any reason, we will use the net proceeds for general partnership purposes, including future acquisitions and capital program expenditures.

We currently have sufficient available borrowing capacity under our revolving credit facilities to fund all of the consideration required to close the BP NGL Acquisition.

### ***Our Principal Executive Offices***

Our executive offices are located at 333 Clay Street, Suite 1600, Houston, Texas 77002. Our telephone number is (713) 646-4100. We maintain a website at [www.paalp.com](http://www.paalp.com) that provides information about our business and operations. Information contained on or available through our website is not incorporated into or otherwise a part of this prospectus supplement or the accompanying base prospectus.

### ***Additional Information***

For additional information about us, including our partnership structure and management, please see our Annual Report on Form 10-K for the year ended December 31, 2011, which is incorporated by reference herein. Please refer to the section in this prospectus supplement entitled "Where You Can Find More Information."

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### THE OFFERING

Common units we are offering	5,000,000 common units; 5,750,000 common units if the underwriters exercise their option to purchase additional common units in full.
Units outstanding after this offering	160,568,749 common units if the underwriters do not exercise their option to purchase additional common units and 161,318,749 common units if the underwriters exercise their option to purchase additional common units in full.
Use of proceeds	We intend to use the net proceeds from this offering of approximately \$ million, including our general partner's proportionate capital contribution and after deducting the underwriters' discounts and commissions and estimated offering expenses, to fund a portion of the consideration for the BP NGL Acquisition. Pending the application of the net proceeds to fund the BP NGL Acquisition, we intend to repay all borrowings outstanding under the PAA credit facilities and use the balance for general partnership purposes. If the BP NGL Acquisition is not consummated for any reason, we will use the net proceeds for general partnership purposes, including future acquisitions and capital program expenditures.
Cash distributions	Under our partnership agreement, we must distribute all of our cash on hand at the end of each quarter, less reserves established by our general partner in its discretion. We refer to this cash as available cash, and we define its meaning in our partnership agreement.  Under the quarterly incentive distribution provisions in our partnership agreement, generally our general partner is entitled, following the distribution of our minimum quarterly distribution of \$0.45 per common unit and without duplication, to 15% of amounts we distribute until each unitholder receives a total of \$0.495 per common unit, 25% of amounts we distribute until each unitholder receives a total of \$0.675 per common unit and 50% thereafter. For a description of our cash distribution policy, please read Cash Distribution Policy in the accompanying prospectus.  On February 14, 2012, we paid a cash distribution of \$1.0250 per unit (\$4.10 per unit on an annualized basis) to holders of record of such units at the close of business on February 3, 2012. The distribution represented an increase of approximately 7.0% over the quarterly distribution of \$0.9575 per unit (\$3.83 per unit on an annualized basis) we paid in February 2011 and approximately 3.0% over the quarterly distribution of \$0.9950 per unit (\$3.98 per unit on an annualized basis) we paid in November 2011.
Estimated ratio of taxable income to distributions	We estimate that if you own the common units you purchase in this offering through the record date for the distribution for the period ending December 31, 2014, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be less than 20% of the cash distributed to you with respect to that period. Please read Material U.S. Federal Income Tax Consequences in this prospectus supplement for the basis of this estimate.
Conflicts of interest	Affiliates of certain of the underwriters are lenders under our credit facilities, and accordingly, may receive a portion of the proceeds from this offering pursuant to any repayment of borrowings under such facilities. Please read Underwriting Conflicts of Interest in this prospectus supplement for further information.
New York Stock Exchange symbol	PAA.

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**RISK FACTORS**

*Before making an investment in the common units offered hereby, you should carefully consider the risk factors included in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2011, which is incorporated in this prospectus supplement by reference, together with all of the other information included or incorporated by reference in this prospectus. If any of these risks were to occur, our business, financial condition or results of operations could be materially adversely affected. In such case, the trading price of our common units could decline, and you could lose all or part of your investment.*

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**USE OF PROCEEDS**

The net proceeds of this offering will be approximately \$            million, including our general partner's proportionate capital contribution, after deducting the underwriters' discounts and commissions and estimated offering expenses. If the underwriters exercise their option to purchase additional common units in full, the net proceeds of this offering will be approximately \$            million, including our general partner's proportionate capital contribution.

We intend to use the net proceeds of this offering (as well as the proceeds from any exercise of the underwriters' option to purchase additional common units) to fund a portion of the consideration for the BP NGL Acquisition. Pending the application of the net proceeds to fund the BP NGL Acquisition, we intend to repay all borrowings outstanding under the PAA credit facilities and use the balance for general partnership purposes. If the BP NGL Acquisition is not consummated for any reason, we will use the net proceeds for general partnership purposes, including future acquisitions and capital program expenditures.

We currently have sufficient available borrowing capacity under our revolving credit facilities to fund all of the consideration required to close the BP NGL Acquisition.

As of March 2, 2012, we had approximately \$30.3 million and \$75.0 million of borrowings under our PAA revolving credit facility and our PAA senior secured hedged inventory facility, respectively, and the weighted average interest rate of each credit facility was approximately 2.6% and 1.4%, respectively. Our PAA revolving credit facility matures in August 2016, and our PAA senior secured hedged inventory facility matures in August 2013.

Affiliates of certain of the underwriters are lenders under our credit facilities, and, accordingly, may receive a portion of the proceeds from this offering pursuant to any repayment of borrowings under such facilities. Please read "Underwriting Conflicts of Interest" in this prospectus supplement for further information.

**Table of Contents****PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS**

As of March 2, 2012, we had 155,568,749 common units outstanding, held by approximately 159,000 holders, including common units held in street name. Our common units are traded on the New York Stock Exchange under the symbol PAA.

The following table sets forth, for the periods indicated, the high and low sales prices for the common units, as reported on the New York Stock Exchange Composite Transactions Tape, and quarterly cash distributions declared per common unit. The last reported sale price of common units on the New York Stock Exchange on March 2, 2012 was \$83.08 per common unit.

	<b>Common Unit Price Range</b>		<b>Cash Distributions per Unit<sup>(1)</sup></b>
	<b>High</b>	<b>Low</b>	
<b>2010</b>			
First Quarter	\$ 57.11	\$ 49.82	\$ 0.9350
Second Quarter	60.06	44.12	0.9425
Third Quarter	64.21	57.33	0.9500
Fourth Quarter	65.20	60.91	0.9575
<b>2011</b>			
First Quarter	\$ 65.96	\$ 60.21	\$ 0.9700
Second Quarter	65.69	57.80	0.9825
Third Quarter	64.98	56.41	0.9950
Fourth Quarter	73.55	54.90	1.0250
<b>2012</b>			
First Quarter (through March 2, 2012)	\$ 84.48	\$ 69.48	\$ (2)

<sup>(1)</sup> Represents cash distributions attributable to the quarter and paid within 45 days after the quarter end.

<sup>(2)</sup> Cash distributions in respect of the first quarter of 2012 have not been declared or paid.

**Table of Contents****CAPITALIZATION**

The following table sets forth our capitalization as of December 31, 2011:

on a historical basis;

on an as adjusted basis to give effect to the closing of the BP NGL Acquisition, assuming such acquisition is funded by borrowings under our credit facilities; and

on an as further adjusted basis to give effect to the sale of the common units offered hereby and the application of the net proceeds therefrom as described under "Use of Proceeds" and our general partner's proportionate capital contribution, net of offering expenses. This table should also be read in conjunction with our financial statements and the notes thereto that are incorporated by reference into this prospectus supplement. As of March 2, 2012, we had approximately \$30.3 million and \$75.0 million outstanding under our PAA revolving credit facility and our PAA senior secured hedged inventory facility, respectively.

	December 31, 2011		
	Historical	As Adjusted (in millions)	As Further Adjusted
<b>CASH AND CASH EQUIVALENTS</b>	\$ 26	\$ 26	\$ 26
<b>SHORT-TERM DEBT</b>			
PAA senior secured hedged inventory facility	\$ 75	\$ 75	\$ 75
PAA senior unsecured revolving credit facility <sup>(1)(3)</sup>	32	332	332
PNG senior unsecured revolving credit facility <sup>(2)</sup>	68	68	68
4.25% senior notes due September 2012	500	500	500
Other	4	4	4
Total short-term debt	\$ 679	\$ 979	\$ 979
<b>LONG-TERM DEBT</b>			
Senior notes, net of unamortized discounts	\$ 4,262	\$ 4,262	\$ 4,262
Long-term debt under credit facilities and other <sup>(3)</sup>	258	1,582	
Total long-term debt	\$ 4,520	\$ 5,844	\$
<b>PARTNERS' CAPITAL</b>			
Common unitholders	\$ 5,249	\$ 5,249	\$
General partner	201	201	
Total partners' capital excluding noncontrolling interests	5,450	5,450	
Noncontrolling interests	524	524	524
Total partners' capital	\$ 5,974	\$ 5,974	\$
Total capitalization	\$ 10,494	\$ 11,818	\$



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- (1) We classify as short-term certain borrowings under the PAA senior unsecured revolving credit facility. These borrowings are primarily designated as working capital borrowings, must be repaid within one year and are primarily for hedged LPG and crude oil inventory and NYMEX and ICE margin deposits.
- (2) PNG classifies as short-term any borrowings under the PNG senior unsecured credit facility that have been designated as working capital borrowings and must be repaid within one year. Such borrowings are primarily related to a portion of PNG's hedged natural gas inventory.
- (3) In December 2011, we supplemented our existing credit facility by entering into a 364-day revolving credit facility with a borrowing capacity of \$1.2 billion. As of December 31, 2011, this facility had not been activated; pursuant to its terms, we may activate the facility at any time within six months of the closing of the facility, resulting in a maturity date 364 days from the activation date.

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### **MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES**

The tax consequences to you of an investment in our common units will depend in part on your own tax circumstances. For a discussion of the material U.S. federal income tax consequences associated with our operations and the purchase, ownership and disposition of our common units, please read *Material Income Tax Considerations* in the accompanying prospectus, as updated and supplemented by the discussion included herein. You are urged to consult with your own tax advisor about the federal, state, local and foreign tax consequences particular to your circumstances.

#### **Tax Consequences of Unit Ownership**

***Ratio of Taxable Income to Distributions.*** We estimate that a purchaser of common units in this offering who holds those common units from the date of closing of this offering through the record date for the period ending December 31, 2014 will be allocated an amount of federal taxable income for that period that will be less than 20% of the cash distributed to the unitholder with respect to that period. Thereafter, we anticipate that the ratio of allocable taxable income to cash distributions to the unitholders will increase. These estimates are based upon the assumption that gross income from operations will approximate the amount required to make the current quarterly distribution on all units and other assumptions with respect to capital expenditures, cash flow, net working capital and anticipated cash distributions. These estimates and assumptions are subject to, among other things, numerous business, economic, regulatory, legislative, competitive and political uncertainties beyond our control. Further, the estimates are based on current tax law and tax reporting positions that we will adopt and with which the Internal Revenue Service could disagree. Accordingly, we cannot assure you that these estimates will prove to be correct. The ratio of taxable income to distributions could be higher or lower than expected, and any differences could be material and could materially affect the value of the common units. For example, the ratio of taxable income to cash distributions to a purchaser of common units in this offering will be higher, and perhaps substantially higher, than our estimate with respect to the period described above if our gross income from operations exceeds the amount required to maintain the current distribution level on all units, yet we only distribute the current distribution amount on all units; or we make a future offering of common units and use the proceeds of the offering in a manner that does not produce substantial additional deductions during the period described above, such as to repay indebtedness outstanding at the time of this offering or to acquire property that is not eligible for depreciation or amortization for federal income tax purposes or that is depreciable or amortizable at a rate significantly slower than the rate applicable to our assets at the time of this offering.

In addition, our interest in PNG and our other operations are generally required to be treated as separate activities for purposes of applying the passive loss limitations. Income from one activity may not be offset with losses from the other activity. This inability to treat our interest in PNG and our other operations as a single activity could result in a higher than expected ratio of taxable income to distributions.

***Tax Rates.*** Under current law, the highest marginal federal income tax rate applicable to ordinary income of individuals is 35% and the highest marginal federal income tax rate applicable to long-term capital gains (generally, capital gains on certain assets held for more than 12 months) of individuals is 15%. However, absent new legislation extending the current rates, beginning January 1, 2013, the highest marginal federal income tax rate applicable to ordinary income and long-term capital gains of individuals will increase to 39.6% and 20%, respectively. Moreover, these rates are subject to change by new legislation at any time.

A 3.8% Medicare tax on certain investment income earned by individuals, estates, and trusts is scheduled to apply for taxable years beginning after December 31, 2012. For these purposes, investment income generally includes a unitholder's allocable share of our income and gain realized by a unitholder from a sale of units. In the case of an individual, the tax will be imposed on the lesser of (i) the unitholder's net investment income from all investments, or (ii) the amount by which the unitholder's modified adjusted gross income exceeds \$250,000 (if the unitholder is married and filing jointly or a surviving spouse), \$125,000 (if the unitholder is married and filing separately) or \$200,000 (in any other case). In the case of an estate or trust, the tax will be imposed on the

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lesser of (i) undistributed net investment income, or (ii) the excess adjusted gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins.

***Nominee Reporting.*** Persons who hold an interest in us as a nominee for another person are required to furnish to us:

- (a) the name, address and taxpayer identification number of the beneficial owner and the nominee;
- (b) a statement regarding whether the beneficial owner is:
  - i. a person that is not a U.S. person;
  - ii. a foreign government, an international organization or any wholly-owned agency or instrumentality of either of the foregoing; or
  - iii. a tax-exempt entity;
- (c) the amount and description of common units held, acquired or transferred for the beneficial owner; and
- (d) specific information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition cost for purchases, as well as the amount of net proceeds from sales.

Brokers and financial institutions are required to furnish additional information, including whether they are U.S. persons and specific information on common units they acquire, hold or transfer for their own account. A penalty of \$100 per failure, up to a maximum of \$1,500,000 per calendar year, is imposed by the Internal Revenue Code of 1986, as amended, for failure to report that information to us. The nominee is required to supply the beneficial owner of the common units with the information furnished by us.

***Tax-Exempt Organizations and Other Investors.*** Ownership of common units by tax-exempt entities and non-U.S. investors raises issues unique to such persons. Tax-exempt entities and non-U.S. investors are encouraged to consult with your own tax advisor about the federal, state, local and foreign tax consequences particular to your circumstances before investing. Please read **Material Income Tax Considerations Tax-Exempt Organizations and Other Investors** in the accompanying prospectus.

## **Administrative Matters**

***Accuracy-Related Penalties.*** The 20% accuracy-related penalty applies to any portion of an underpayment of tax that is attributable to transactions lacking economic substance. To the extent that such transactions are not disclosed, the penalty imposed is increased to 40%. Additionally, there is no reasonable cause defense to the imposition of this penalty to such transactions.

**Table of Contents****UNDERWRITING (CONFLICTS OF INTEREST)**

Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., J.P. Morgan Securities LLC, UBS Securities LLC and Wells Fargo Securities, LLC are acting as joint book-running managers of the underwritten offering and representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has agreed to severally purchase, and we have agreed to sell to that underwriter, the number of common units set forth opposite the underwriter's name.

<b>Underwriter</b>	<b>Number of Common Units</b>
Barclays Capital Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Citigroup Global Markets Inc.	
J.P. Morgan Securities LLC	
UBS Securities LLC	
Wells Fargo Securities, LLC	
Raymond James & Associates, Inc.	
RBC Capital Markets LLC	
Global Hunter Securities, LLC	
Oppenheimer & Co. Inc.	
Robert W. Baird & Co. Incorporated	
Stifel, Nicolaus & Company, Incorporated	
<b>Total</b>	<b>5,000,000</b>

The underwriting agreement provides that the obligations of the underwriters to purchase the common units included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all of the common units (other than those covered by the over-allotment option to purchase additional common units described below) if they purchase any of the common units.

The underwriters propose to offer some of the common units directly to the public at the public offering price set forth on the cover page of this prospectus supplement and some of the common units to dealers at the public offering price less a concession not to exceed \$ per common unit. If all of the common units are not sold at the initial offering price, the underwriters may change the public offering price and the other selling terms.

**Over-allotment Option**

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 750,000 additional common units at the public offering price less the underwriting discount. To the extent the option is exercised, each underwriter must purchase a number of additional common units approximately proportionate to that underwriter's initial purchase commitment.

**Lock-Up Agreements**

We, our general partner, certain officers and directors of our general partner and certain of their affiliates have agreed that, for a period of 45 days from the date of this prospectus supplement, we and they will not, without the prior written consent of Barclays Capital Inc., offer, sell, contract to sell, pledge or otherwise dispose of any common units or any securities convertible into, or exercisable or exchangeable for or that represent the right to receive common units or any securities that are senior to or pari passu with common units, including the grant of any options or warrants to purchase common units. Certain Kayne Anderson entities, which collectively own approximately 6.1 million common units and which are affiliated with Robert V. Sinnott, a director of our general partner, are not subject to this agreement and may sell some or all of their common units during the lock-up period. This agreement also will not apply to grants under existing employee benefit plans (including long-term incentive plans adopted by our general partner, Plains AAP, L.P. or Plains All American GP LLC), to



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issuances of common units or any securities convertible or exchangeable into common units as payment of any part of the purchase price in connection with acquisitions by us and our affiliates or any third parties (with any transferees in such acquisitions agreeing to be bound by the lock-up agreement for the remainder of the term), to certain sales of common units by the officers or directors of the company that controls our general partner to pay tax liabilities associated with the vesting of units, to transfers of common units by the officers and directors of our general partner in connection with gifts or charitable donations or to issuances or deliveries of common units in connection with the conversion, vesting or exercise of securities (including long-term incentive plan awards, options and warrants) currently outstanding. Barclays Capital Inc., in its sole discretion, may release any of the common units subject to these lock-up agreements at any time without notice.

In addition, Vulcan Energy Corporation, Vulcan Capital Private Equity I LLC and Vulcan Capital Private Equity II LLC have entered into lock-up agreements with us, with restrictions similar to those set forth above, for a period lasting until August 2013 with respect to the approximately 2.6 million units owned by Vulcan Energy Corporation and until August 2012 with respect to the approximately 3.9 million units owned by Vulcan Capital Private Equity I LLC and Vulcan Capital Private Equity II LLC. We may waive these restrictions at any time or from time to time in our discretion.

**Listing**

Our common units are listed on the New York Stock Exchange under the symbol PAA.

**Commissions and Expenses**

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional common units.

	No Exercise	Full Exercise
Per Common Unit	\$	\$
Total	\$	\$

**Price Stabilizations, Short Positions and Penalty Bids**

In connection with the offering, the representatives, on behalf of the underwriters, may purchase and sell common units in the open market. These transactions may include short sales, syndicate covering transactions and stabilizing transactions. Short sales involve syndicate sales of common units in excess of the number of common units to be purchased by the underwriters in the offering, which creates a syndicate short position. Covered short sales are sales of common units made in an amount up to the number of common units represented by the underwriters' overallotment option. In determining the source of common units to close out the covered syndicate short position, the underwriters will consider, among other things, the price of common units available for purchase in the open market as compared to the price at which they may purchase units through the over-allotment option. Transactions to close out the covered syndicate short position involve either purchases of the common units in the open market after the distribution has been completed or the exercise of the overallotment option. The underwriters may also make naked short sales of common units in excess of the overallotment option. The underwriters must close out any naked short position by purchasing common units 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 the common units in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of bids for or purchases of common units in the open market while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the representatives repurchase common units originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

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Any of these activities may have the effect of preventing or retarding a decline in the market price of the common units. They may also cause the price of the common units to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the New York Stock Exchange or in the over-the-counter market, or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

## **Partnership Expenses**

We estimate that our total expenses of this offering, excluding underwriting discounts and commissions, will be approximately \$375,000.

## **Conflicts of Interest**

All of the underwriters and their affiliates have performed investment and commercial banking and advisory services for us and our affiliates from time to time for which they have received customary fees and expenses. The underwriters and their affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business.

Affiliates of Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., J.P. Morgan Securities LLC, UBS Securities LLC, Wells Fargo Securities, LLC, Raymond James & Associates, Inc. and RBC Capital Markets LLC are lenders under our credit facilities, and, accordingly, may receive a portion of the proceeds from this offering pursuant to any repayment of borrowings under our credit facilities.

## **Electronic Distribution**

This prospectus supplement and the accompanying prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters. The underwriters may agree to allocate a number of common units for sale to their online brokerage account holders. The common units will be allocated to underwriters that may make Internet distributions on the same basis as other allocations. In addition, common units may be sold by the underwriters to securities dealers who resell common units to online brokerage account holders.

Other than this prospectus supplement and the accompanying prospectus in electronic format, information contained in any website maintained by an underwriter is not part of this prospectus supplement or the accompanying prospectus or registration statement of which the accompanying prospectus forms a part, has not been endorsed by us and should not be relied on by investors in deciding whether to purchase common units. The underwriters are not responsible for information contained in websites that they do not maintain.

## **Indemnification**

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

## **FINRA Conduct Rule**

Because the Financial Industry Regulatory Authority views our common units as interests in a direct participation program, this offering is being made in compliance with Rule 2310 of the FINRA Rules. Investor suitability with respect to the common units will be judged similarly to the suitability with respect to other securities that are listed for trading on a national securities exchange.

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### **Notice to Investors**

#### ***Notice to Prospective Investors in the EEA***

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), other than Germany, with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of securities described in this prospectus may not be made to the public in that relevant member state other than:

to any legal entity which is a qualified investor as defined in the Prospectus Directive;

to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the issuer for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of securities shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state), and includes any relevant implementing measure in the relevant member state. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

We have not authorized and do not authorize the making of any offer of securities through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the securities as contemplated in this prospectus. Accordingly, no purchaser of the securities, other than the underwriters, is authorized to make any further offer of the securities on behalf of us or the underwriters.

#### ***Notice to Prospective Investors in the United Kingdom***

Our partnership may constitute a collective investment scheme as defined by section 235 of the Financial Services and Markets Act 2000 (FSMA) that is not a recognized collective investment scheme for the purposes of FSMA (CIS) and that has not been authorized or otherwise approved. As an unregulated scheme, it cannot be marketed in the United Kingdom to the general public, except in accordance with FSMA. This prospectus is only being distributed in the United Kingdom to, and is only directed at:

(i) if our partnership is a CIS and is marketed by a person who is an authorized person under FSMA, (a) investment professionals falling within Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001, as amended (the CIS Promotion Order) or (b) high net worth companies and other persons falling within Article 22(2)(a) to (d) of the CIS Promotion Order; or

(ii) otherwise, if marketed by a person who is not an authorized person under FSMA, (a) persons who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Financial Promotion Order) or (b) Article 49(2)(a) to (d) of the Financial Promotion Order; and



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(iii) in both cases (i) and (ii) to any other person to whom it may otherwise lawfully be made, (all such persons together being referred to as relevant persons ). Our partnership's common units are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such common units will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

An invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with the issue or sale of any common units which are the subject of the offering contemplated by this prospectus will only be communicated or caused to be communicated in circumstances in which Section 21(1) of FSMA does not apply to our partnership.

### ***Notice to Prospective Investors in Germany***

This prospectus has not been prepared in accordance with the requirements for a securities or sales prospectus under the German Securities Prospectus Act (*Wertpapierprospektgesetz*), the German Sales Prospectus Act (*Verkaufsprospektgesetz*), or the German Investment Act (*Investmentgesetz*). Neither the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* BaFin) nor any other German authority has been notified of the intention to distribute our common units in Germany. Consequently, our common units may not be distributed in Germany by way of public offering, public advertisement or in any similar manner and this prospectus and any other document relating to this offering, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of our common units to the public in Germany or any other means of public marketing. Our common units are being offered and sold in Germany only to qualified investors which are referred to in Section 3, paragraph 2 no. 1, in connection with Section 2, no. 6, of the German Securities Prospectus Act, Section 8f paragraph 2 no. 4 of the German Sales Prospectus Act, and in Section 2 paragraph 11 sentence 2 no. 1 of the German Investment Act. This prospectus is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

This offering does not constitute an offer to sell or the solicitation of an offer to buy our common units in any circumstances in which such offer or solicitation is unlawful.

### ***Notice to Prospective Investors in the Netherlands***

Our common units may not be offered or sold, directly or indirectly, in the Netherlands, other than to qualified investors (*gekwalficeerde beleggers*) within the meaning of Article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

### ***Notice to Prospective Investors in Switzerland***

This prospectus is being communicated in Switzerland to a small number of selected investors only. Each copy of this prospectus is addressed to a specifically named recipient and may not be copied, reproduced, distributed or passed on to third parties. Our common units are not being offered to the public in Switzerland, and neither this prospectus, nor any other offering materials relating to our common units may be distributed in connection with any such public offering.

We have not been registered with the Swiss Financial Market Supervisory Authority FINMA as a foreign collective investment scheme pursuant to Article 120 of the Collective Investment Schemes Act of June 23, 2006 ( *CISA* ). Accordingly, our common units may not be offered to the public in or from Switzerland, and neither this prospectus, nor any other offering materials relating to our common units may be made available through a public offering in or from Switzerland. Our common units may only be offered and this prospectus may only be distributed in or from Switzerland by way of private placement exclusively to qualified investors (as this term is defined in the CISA and its implementing ordinance).

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**LEGAL MATTERS**

Vinson & Elkins L.L.P. will issue opinions about the validity of the common units offered hereby and various other legal matters in connection with the offering on our behalf. Baker Botts L.L.P., the underwriters' counsel, will also issue opinions about various legal matters in connection with the offering on behalf of the underwriters.

**EXPERTS**

The financial statements of Plains All American Pipeline, L.P. and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement by reference to the Annual Report on Form 10-K for the year ended December 31, 2011, have been incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

**WHERE YOU CAN FIND MORE INFORMATION**

We are incorporating by reference into this prospectus supplement information we file with the Securities and Exchange Commission (the "SEC"). This procedure means that we can disclose important information to you by referring you to documents filed with the SEC. The information we incorporate by reference is part of this prospectus supplement and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information furnished and not filed pursuant to any Current Report on Form 8-K) until the offering and sale of the common units contemplated by this prospectus supplement are complete:

Current Report on Form 8-K filed with the SEC on October 24, 2011 (announcement of proposal to acquire SemGroup Corporation); and

Annual Report on Form 10-K for the year ended December 31, 2011.

You may request a copy of these filings (other than any exhibits unless specifically incorporated by reference into this prospectus supplement and the accompanying prospectus) at no cost by making written or telephone requests for copies to:

Plains All American Pipeline, L.P.

333 Clay Street, Suite 1600

Houston, Texas 77002

Attention: Corporate Secretary

Telephone: (713) 646-4100

Additionally, you may read and copy any materials that we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding us. The SEC's website address is [www.sec.gov](http://www.sec.gov).

You should rely only on the information incorporated by reference or provided in this prospectus supplement. We have not, and the underwriters have not, authorized anyone else to provide you with any information. You should not assume that the information incorporated by reference or provided in this prospectus supplement or the accompanying prospectus is accurate as of any date other than its date.



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PROSPECTUS

**Plains All American Pipeline, L.P.**  
**PAA Finance Corp.**

**Common Units**

**Debt Securities**

We may offer and sell the common units, representing limited partner interests of Plains All American Pipeline, L.P., and, together with PAA Finance Corp., debt securities described in this prospectus from time to time in one or more classes or series and in amounts, at prices and on terms to be determined by market conditions at the time of our offerings. PAA Finance Corp. may act as co-issuer of the debt securities, and other subsidiaries of Plains All American Pipeline, L.P. may guarantee the debt securities.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. This prospectus describes the general terms of these common units and debt securities and the general manner in which we will offer the common units and debt securities. The specific terms of any common units and debt securities we offer will be included in a supplement to this prospectus. The prospectus supplement will also describe the specific manner in which we will offer the common units and debt securities.

*Investing in our common units and the debt securities involves risks. Limited partnerships are inherently different from corporations. You should carefully consider the risk factors described under Risk Factors beginning on page 6 of this prospectus before you make an investment in our securities.*

Our common units are traded on the New York Stock Exchange under the symbol PAA. We will provide information in the prospectus supplement for the trading market, if any, for any debt securities we may offer.

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

The date of this prospectus is October 14, 2009.

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**In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with any other information. If anyone provides you with different or inconsistent information, you should not rely on it.**

**You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus. You should not assume that the information contained in the documents incorporated by reference in this prospectus is accurate as of any date other than the respective dates of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.**

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we and PAA Finance Corp. have filed with the Securities and Exchange Commission using a shelf registration process. Under this shelf registration process, we may, over time, offer and sell any combination of the securities described in this prospectus in one or more offerings. This prospectus generally describes Plains All American Pipeline, L.P. and the securities. Each time we sell securities with this prospectus, we will provide you with a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add to, update or change information in this prospectus. Before you invest in our securities, you should carefully read this prospectus and any prospectus supplement and the additional information described under the heading **Where You Can Find More Information**. To the extent information in this prospectus is inconsistent with information contained in a prospectus supplement, you should rely on the information in the prospectus supplement. You should read both this prospectus and any prospectus supplement, together with additional information described under the heading **Where You Can Find More Information**, and any additional information you may need to make your investment decision.

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**WHERE YOU CAN FIND MORE INFORMATION**

We have filed a registration statement with the SEC under the Securities Act of 1933, as amended, that registers the securities offered by this prospectus. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit some information included in the registration statement from this prospectus.

In addition, we file annual, quarterly and other reports and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on the operation of the SEC's public reference room. Our SEC filings are available on the SEC's web site at <http://www.sec.gov>. We also make available free of charge on our website, at <http://www.paalp.com>, all materials that we file electronically with the SEC, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 reports and amendments to these reports as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the SEC.

The SEC allows us to incorporate by reference the information we have filed with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus by referring you to other documents filed separately with the SEC. These other documents contain important information about us, our financial condition and results of operations. The information incorporated by reference is an important part of this prospectus. Information that we file later with the SEC will automatically update and may replace information in this prospectus and information previously filed with the SEC. We incorporate by reference the documents listed below and any future filings made by Plains All American Pipeline, L.P. with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (excluding any information furnished and not filed with the SEC) until all offerings under this shelf registration statement are completed or after the date on which the registration statement that includes this prospectus was initially filed with the SEC and before the effectiveness of such registration statement:

Annual Report on Form 10-K for the year ended December 31, 2008;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009;

Current Report on Form 8-K filed with the SEC on February 25, 2009 (compensation arrangements for certain of our executive officers);

Current Report on Form 8-K filed with the SEC on March 12, 2009 (audited balance sheet of PAA GP LLC as of December 31, 2008);

Current Report on Form 8-K filed (other than Item 7.01, which was furnished) with the SEC on March 18, 2009 (documentation related to equity offering);

Current Report on Form 8-K filed with the SEC on April 20, 2009 (documentation related to debt offering);

Current Report on Form 8-K filed (other than Items 7.01 and 9.01, which were furnished) with the SEC on May 22, 2009 (election of Christopher M. Temple to the board of directors of Plains All American GP LLC);

Current Report on Form 8-K filed with the SEC on July 7, 2009 (unaudited balance sheet of PAA GP LLC as of March 31, 2009);

## Edgar Filing: PLAINS ALL AMERICAN PIPELINE LP - Form 424B2

Current Report on Form 8-K filed with the SEC on July 23, 2009 (documentation related to debt offering);

Current Report on Form 8-K filed (other than Items 7.01 and 9.01, which were furnished) with the SEC on August 28, 2009 (unregistered sale of equity securities);

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Current Report on Form 8-K filed with the SEC on September 3, 2009 (amendment of the Limited Partnership Agreement of Plains All American Pipeline, L.P.);

Current Report on Form 8-K filed with the SEC on September 4, 2009 (documentation related to debt offering);

Current Report on Form 8-K filed (other than Item 7.01, which was furnished) with the SEC on September 11, 2009 (documentation related to equity offering);

Current Report on Form 8-K filed with the SEC on September 28, 2009 (audited balance sheet of PAA GP LLC as of June 30, 2009); and

the description of our common units contained in our Form 8-A/A dated November 3, 1998 and any subsequent amendment thereto filed for the purpose of updating such description.

You may obtain any of the documents incorporated by reference in this prospectus from the SEC through the SEC's website at the address provided above. You also may request a copy of any document incorporated by reference in this prospectus (including exhibits to those documents specifically incorporated by reference in this document), at no cost, by visiting our internet website at [www.paalp.com](http://www.paalp.com), or by writing or calling us at the following address:

Plains All American Pipeline, L.P.

333 Clay Street, Suite 1600

Houston, Texas 77002

Attention: Tim Moore

Telephone: (713) 646-4100



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**FORWARD-LOOKING STATEMENTS**

All statements included or incorporated by reference in this prospectus or the accompanying prospectus supplement, other than statements of historical fact, are forward-looking statements, including but not limited to statements identified by the words anticipate, believe, estimate, expect, plan, intend and forecast, as well as similar expressions and statements regarding our business strategy, plans and objectives of our management for future operations. The absence of these words, however, does not mean that the statements are not forward-looking. These statements reflect our current views with respect to future events, based on what we believe are reasonable assumptions. Certain factors could cause actual results to differ materially from results anticipated in the forward-looking statements. These factors include, but are not limited to:

failure to implement or capitalize on planned internal growth projects;

maintenance of our credit rating and ability to receive open credit from our suppliers and trade counterparties;

continued creditworthiness of, and performance by, our counterparties, including financial institutions and trading companies with which we do business;

the success of our risk management activities;

environmental liabilities or events that are not covered by an indemnity, insurance or existing reserves;

abrupt or severe declines or interruptions in outer continental shelf production located offshore California and transported on our pipeline systems;

shortages or cost increases of power supplies, materials or labor;

the availability of adequate third-party production volumes for transportation and marketing in the areas in which we operate and other factors that could cause declines in volumes shipped on our pipelines by us and third-party shippers, such as declines in production from existing oil and gas reserves or failure to develop additional oil and gas reserves;

fluctuations in refinery capacity in areas supplied by our mainlines and other factors affecting demand for various grades of crude oil, refined products and natural gas and resulting changes in pricing conditions or transportation throughput requirements;

the availability of, and our ability to consummate, acquisition or combination opportunities;

our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness;

the successful integration and future performance of acquired assets or businesses and the risks associated with operating in lines of business that are distinct and separate from our historical operations;

unanticipated changes in crude oil market structure and volatility (or lack thereof);

the impact of current and future laws, rulings, governmental regulations, accounting standards and statements and related interpretations;

the effects of competition;

interruptions in service and fluctuations in tariffs or volumes on third-party pipelines;

increased costs or lack of availability of insurance;

fluctuations in the debt and equity markets, including the price of our units at the time of vesting under our long-term incentive plans;

the currency exchange rate of the Canadian dollar;

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weather interference with business operations or project construction;

risks related to the development and operation of natural gas storage facilities;

future developments and circumstances at the time distributions are declared;

general economic, market or business conditions and the amplification of other risks caused by deteriorated financial markets, capital constraints and pervasive liquidity concerns; and

other factors and uncertainties inherent in the transportation, storage, terminalling and marketing of crude oil, refined products and liquefied petroleum gas and other natural gas related petroleum products.

Other factors described herein or incorporated by reference, or factors that are unknown or unpredictable, could also have a material adverse effect on future results. Please read **Risk Factors** beginning on page 6 of this prospectus and in Item 1A. **Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2008. Except as required by applicable securities laws, we do not intend to update these forward-looking statements and information.

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**WHO WE ARE**

We are a Delaware limited partnership formed in September 1998. Our operations are conducted directly and indirectly through our primary operating subsidiaries. We are engaged in the transportation, storage, terminalling and marketing of crude oil, refined products and liquefied petroleum gas and other natural gas-related petroleum products. We have an extensive network of pipeline transportation, terminalling, storage and gathering assets in key oil-producing basins and transportation corridors, and at major market hubs in the United States and Canada. We are also engaged in the development and operation of natural gas storage facilities.

PAA Finance Corp. was incorporated under the laws of the State of Delaware in May 2004, is wholly owned by Plains All American Pipeline, and has no material assets or any liabilities other than as a co-issuer of debt securities. Its activities are limited to co-issuing debt securities and engaging in other activities incidental thereto.

For purposes of this prospectus, unless the context clearly indicates otherwise, we, us, our and the Partnership refer to Plains All American Pipeline, L.P. and its subsidiaries. References to our general partner, as the context requires, include any or all of PAA GP LLC, Plains AAP, L.P. and Plains All American GP LLC.

Our executive offices are located at 333 Clay Street, Suite 1600, Houston, Texas 77002 and our telephone number is (713) 646-4100.

For additional information as to our business, properties and financial condition please refer to the documents cited in [Where You Can Find More Information](#).

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**RISK FACTORS**

An investment in our securities involves a high degree of risk. You should carefully consider the risk factors and all of the other information included in, or incorporated by reference into, this prospectus, including those in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008, in evaluating an investment in our securities. If any of these risks were to occur, our business, financial condition or results of operations could be adversely affected. In that case, the trading price of our common units or value of our debt securities could decline and you could lose all or part of your investment. When we offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.

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**USE OF PROCEEDS**

Unless otherwise indicated to the contrary in an accompanying prospectus supplement, we will use the net proceeds from the sale of securities covered by this prospectus for general partnership purposes, which may include repayment of indebtedness, the acquisition of businesses and other capital expenditures and additions to working capital.

Any specific allocation of the net proceeds of an offering of securities to a specific purpose will be determined at the time of the offering and will be described in a prospectus supplement.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our historical consolidated ratio of earnings to fixed charges for the periods indicated. For purposes of computing the ratio of earnings to fixed charges, earnings consist of pretax income from continuing operations before income from equity investees plus fixed charges (excluding capitalized interest), distributed income of equity investees and amortization of capitalized interest. Fixed charges represent interest incurred (whether expensed or capitalized), amortization of debt expense (including discounts and premiums relating to indebtedness), and that portion of rental expense on operating leases deemed to be the equivalent of interest.

	<b>Six Months Ended June 30, 2009</b>	<b>Year Ended December 31,</b>				
	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	
Ratio of Earnings to Fixed Charges <sup>(1)</sup>	3.55x	2.60x	2.45x	2.83x	3.34x	3.37x

<sup>(1)</sup> Includes interest costs attributable to borrowings for inventory stored in a contango market of \$5 million, \$21 million, \$44 million, \$49 million, \$24 million and \$2 million for the six months ended June 30, 2009 and each of the years ended December 31, 2008, 2007, 2006, 2005 and 2004, respectively.

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### **DESCRIPTION OF OUR DEBT SECURITIES**

#### **General**

The debt securities will be:

our direct general obligations;

either senior debt securities or subordinated debt securities; and

issued under separate indentures (which may be existing indentures) among us, the guarantors and U.S. Bank National Association, as Trustee.

Plains All American Pipeline may issue debt securities in one or more series, and PAA Finance may be a co-issuer of one or more series of debt securities. PAA Finance was incorporated under the laws of the State of Delaware in May 2004, is wholly-owned by Plains All American Pipeline, and has no material assets or any liabilities other than as a co-issuer of debt securities. Its activities are limited to co-issuing debt securities and engaging in other activities incidental thereto. When used in this section Description of the Debt Securities, the terms we, us, our and issuers refer jointly to Plains All American Pipeline and PAA Finance, and the terms Plains All American Pipeline and PAA Finance refer strictly to Plains All American Pipeline, L.P. and PAA Finance Corp., respectively.

If we offer senior debt securities, we will issue them under a senior indenture. If we issue subordinated debt securities, we will issue them under a subordinated indenture. A form of each indenture is filed as an exhibit to the latest registration statement of which this prospectus is a part. We have not restated either indenture in its entirety in this description. You should read the relevant indenture because it, and not this description, controls your rights as holders of the debt securities. Capitalized terms used in the summary have the meanings specified in the indentures.

#### **Specific Terms of Each Series of Debt Securities in the Prospectus Supplement**

A prospectus supplement and a supplemental indenture or authorizing resolutions relating to any series of debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

whether PAA Finance will be a co-issuer of the debt securities;

the guarantors of the debt securities, if any;

whether the debt securities are senior or subordinated debt securities;

the title of the debt securities;

the total principal amount of the debt securities;

the assets, if any, that are pledged as security for the payment of the debt securities;



whether we will issue the