

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **August 17, 2006**

Plains All American Pipeline, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

1-14569
(Commission
File Number)

76-0582150
(IRS Employer
Identification No.)

333 Clay Street, Suite 1600, Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

Registrant's telephone number, including area code **713-646-4100**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On August 17, 2006, the Board of Directors of Plains All American GP LLC, the general partner of our general partner, awarded 5,000 restricted units to each member of the Audit Committee (Everardo Goyanes, Art Smith and Taft Symonds) pursuant to the 1998 Long-Term Incentive Plan. The restricted units will vest 25% in August 2006, and 25% every year thereafter on the August Distribution Date. Upon vesting, the number of vested units are automatically re-granted so that the total restricted units outstanding under this grant remain at 5,000. The restricted unit awards do not include distribution equivalent rights. These restricted units are in addition to the 5,000 restricted units they were each previously granted.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit 10.1 Form of LTIP Grant Letter – audit committee members.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 22, 2006

By: Plains AAP, L.P., its general partner

By: Plains All American GP LLC, its general partner

By: /s/ Tim Moore

Name: Tim Moore

Title: Vice President

Grant Date

Grantee
Address
City, State Zip

Re: Grant of Restricted Units

Dear:

I am pleased to inform you that your existing grant (the "Prior Grant") of Restricted Units under the Company's 1998 Long-Term Incentive Plan (the "Plan") is hereby supplemented with an additional grant of 5,000 Restricted Units (10,000 total). The terms and conditions of this grant are as set forth below.

1. Subject to the further provisions of this Agreement, the Restricted Units granted by this letter shall vest (become payable in the form of one Common Unit of Plains All American Pipeline, L.P. for each Restricted Unit) as follows: 1,250 Restricted Units will vest on August 31, 2006; thereafter, 1,250 units (in addition to units vesting under the Prior Grant) will vest annually on the August Distribution Date.
2. As of each vesting date, for so long as your service on the Board of Directors is not terminated, you shall automatically receive a grant, evidenced hereby, of an additional 1,250 Restricted Units, such that the total outstanding Restricted Units granted by this letter shall remain 5,000 (in addition to the Prior Grant).
3. In the event that (i) you voluntarily terminate your service on the Board of Directors (other than for Retirement) or (ii) your service on the Board of Directors is terminated by the Members for Good Cause, all unvested Restricted Units shall be forfeited as of the date service terminates. All unvested Restricted Units shall also be forfeited upon any intentional change in status that compromises your classification as an "independent director" as such phrase is used in applicable NYSE listing requirements and the Partnership Agreement (as defined below). Examples of intentional change in status would include accepting a position as an officer of a company with which the Partnership conducts business in amounts that exceed NYSE tests for independence or purchasing an interest in the Partnership's general partner. Examples that would not involve an intentional change in status would include a change in the applicable rules that results in a change of status.
4. In the event your service on the Board of Directors is terminated for any reason other than as described in paragraph 3 above, including without limitation because of your death, disability (as determined in good faith by the Board) or Retirement, all unvested Restricted Units shall immediately become nonforfeitable, and shall vest in full as of the next vesting date.
5. In the event of a vesting under paragraph 4 above, the provisions of paragraph 2 above shall no longer be operative.

For the purposes of this Agreement, the Members shall have "Good Cause" to remove or fail to reelect you as a Director only upon (i) your willful engaging in gross misconduct, including without limitation any

willful breach of your fiduciary duties, (ii) your violation of the Company's Code of Business Conduct (unless waived in accordance with the terms thereof), or (iii) your nonappealable conviction of a felony involving moral turpitude. For purposes of this paragraph, no act, or failure to act, on your part shall be considered "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your act or omission was in the best interest of the Company or the Partnership or otherwise likely to result in no material injury thereto. Notwithstanding the foregoing, any removal of or failure to reelect you shall not be deemed to have been for Good Cause unless and until you receive a copy of a resolution, duly adopted by the affirmative vote of the Board of Directors at a meeting duly called and held for that purpose, finding that in the good faith opinion of the Board of Directors, "Good Cause" exists as described above in clause (i), (ii) or (iii) and specifying the particulars thereof in detail.

As used herein, the phrase "Distribution Date" means the date, in any given month and year, on which the Partnership pays a quarterly distribution. The "Company" refers to Plains All American GP LLC. The "Partnership" refers to Plains All American Pipeline, L.P. The term "Retirement" means you no longer serve as an officer or director of any public company and have retired from full-time employment. The term "Members" means the owners of the Company in their capacity as members thereof.

Terms used herein that are not defined herein shall have the meanings set forth in the Plan or, if not defined in the Plan, in the Third Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P., as amended (the "Partnership Agreement"). By signing below, you agree that the Restricted Units granted hereunder are governed by the terms of the Plan. Copies of the Plan and the Partnership Agreement are available upon request. Please execute and return this Agreement to me. The attached copy of this Agreement is for your records.

PLAINS ALL AMERICAN PIPELINE, L.P.

By: PLAINS AAP, L.P.

By: PLAINS ALL AMERICAN GP LLC

By: _____

Name: Tim Moore
Title: Vice President &
General Counsel

First Name Last Name

SSN: SSN

Dated: _____
