

**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) – **January 12, 2016**

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 77002

(Address of principal executive offices) (Zip Code)

713-646-4100

(Registrant's telephone number, including area code)

(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

Series A Preferred Unit Purchase Agreement

On January 12, 2016, Plains All American Pipeline (the "Partnership") entered into a Series A Preferred Unit Purchase Agreement (the "Unit Purchase Agreement") with the purchasers party thereto (collectively and as identified below, the "Purchasers") to issue and sell in a private placement (the "Private Placement") an aggregate of 55.6 million Series A Preferred Units representing limited partner interests in the Partnership (the "Preferred Units") for a cash purchase price of \$26.25 per Preferred Unit (the "Issue Price"), resulting in total net proceeds to the Partnership, after deducting offering expenses and including the general partner's proportionate 2% equity contribution, of approximately \$1.5 billion. The Purchasers include affiliates of EnCap Investments, L.P., EnCap Flatrock Midstream, The Energy Minerals Group ("EMG"), Kayne Anderson Capital Advisors, L.P. ("KACALP") and First Reserve Advisors, L.L.C., in addition to Massachusetts Mutual Life Insurance Company and Kaiser Foundation Hospitals. The closing of the Private Placement (the "Closing") is expected to occur on January 28, 2016, and is not subject to any material closing conditions. Proceeds from the Private Placement will be used for capital expenditures, repayment of debt and general partnership purposes.

In connection with the Private Placement, the Partnership's general partner agreed to modify its incentive distribution rights ("IDRs") such that when the Preferred Units convert into common units representing limited partner interests of the Partnership ("Common Units"), the IDRs associated with the resulting Common Units will only participate in distribution growth above the Partnership's current distribution level of \$2.80 per converted Common Unit. Assuming all Preferred Units convert into Common Units, the modification represents a permanent IDR reduction of approximately \$90 million per year.

Set forth below is a summary of the material terms and conditions of the Unit Purchase Agreement and the Preferred Units.

Pursuant to the Unit Purchase Agreement, in connection with the Closing, Plains All American GP LLC ("GP LLC"), the general partner of Plains AAP, L.P., the sole member of PAA GP LLC, the general partner of the Partnership, will execute a Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (the "Amended and Restated Partnership Agreement") to, among other things, authorize and establish the rights and preferences of the Preferred Units. The Preferred Units are a new class of equity security that will rank senior to all classes or series of equity securities of the Partnership with respect to distribution rights and rights upon liquidation. The holders of Preferred Units will receive quarterly distributions, subject to customary anti-dilution adjustments, equal to an annual rate of 8% of the Issue Price (\$2.10 per unit annualized). With respect to any quarter ending on or prior to December 31, 2017 (the "Initial Distribution Period"), the Partnership may elect to pay distributions on Preferred Units in additional Preferred Units,

in cash or a combination of additional Preferred Units and cash. With respect to any quarter ending after the Initial Distribution Period, the Partnership must pay distributions on Preferred Units in cash. For a period of 30 days following (a) the fifth anniversary of the issue date of the Preferred Units and (b) each subsequent anniversary of the issue date, the holders of Preferred Units, acting by majority vote, may make a one-time election to reset the Preferred Unit distribution rate to equal the then applicable rate of ten-year U.S. Treasury Securities plus 5.85% (the "Distribution Rate Reset"). If the holders of Preferred Units have exercised the Distribution Rate Reset, then, at any time following 30 days after the sixth anniversary of the issue date of the Preferred Units, the Partnership may redeem all or any portion of the outstanding Preferred Units in exchange for cash, Common Units (valued at 95% of the volume-weighted average price of the Common Units for the 30 trading day period ending on the fifth trading day immediately prior to the date of such redemption) or a combination of cash and Common Units at a redemption price equal to 110% of the Issue Price, plus any accrued and unpaid distributions.

The Purchasers may convert their Preferred Units, generally on a one-for-one basis and subject to customary anti-dilution adjustments, at any time after the second anniversary of the issuance date (or prior to a liquidation), in whole or in part, so long as any partial conversion is not for less than \$100,000,000 (calculated based on the closing price of Common Units on the trading day immediately prior to the notice of conversion) or such lesser amount, if such conversion relates to all of a holder's remaining Preferred Units. The Partnership may convert the Preferred Units at any time (but not more often than once per quarter) after the third anniversary of the issuance date, in whole or in part, if the closing price of the Common Units is greater than 150% of the Issue Price for the preceding 20 trading days, so long as any partial conversion is not for less than \$500,000,000 (calculated based on the closing trading price of Common Units on the trading day immediately prior to the notice of conversion) or such lesser amount, if such conversion relates to all of the then outstanding Preferred Units. The Preferred Units will vote on an as-converted basis with the Common Units and will have certain other class voting rights with respect to any amendment to the Amended and Restated Partnership Agreement that would adversely affect any rights, preferences or privileges of the Preferred Units.

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In addition, upon certain events involving a change of control, each holder of Preferred Units may elect to (a) convert its Preferred Units to Common Units at the then applicable conversion rate, (b) if the Partnership is not the surviving entity (or if the Partnership is the surviving entity, but its Common Units will cease to be listed), require the Partnership to use commercially reasonable efforts to cause the surviving entity in any such transaction to issue a substantially equivalent security (or convert into Common Units based on a specified formula, if the Partnership is unable to cause such substantially equivalent securities to be issued), (c) if the Partnership is the surviving entity, continue to hold the Preferred Units or (d) require the Partnership to redeem the Preferred Units at a price per Preferred Unit equal to 101% of the Issue Price, plus accrued and unpaid distributions.

Prior to the first anniversary of the Closing, no Purchaser may transfer any Preferred Units without the prior written consent of the Partnership. After the first anniversary of the Closing, the Purchasers or other holders of Preferred Units may transfer such Preferred Units in an amount not less than \$50 million (or such lesser amount as the Purchaser holds). Prior to the second anniversary of the Closing, holders of Preferred Units and their affiliates are prohibited from directly or indirectly engaging in any short sales or other hedging transactions involving the Common Units underlying such holder's Preferred Units.

In connection with the Closing, the Partnership has agreed to pay to the Purchasers a transaction fee equal to 2% of the aggregate purchase price. The Unit Purchase Agreement contains customary representations, warranties and covenants of the Partnership and the Purchasers substantially consistent with those agreed upon in connection with previous equity offerings by the Partnership, and the parties have agreed to indemnify each other against certain losses resulting from breaches of their respective representations, warranties and covenants. The Unit Purchase Agreement also provides for an expense reimbursement of up to \$250,000 in connection with certain fees of advisors of the Purchasers.

The Partnership also agreed to enter into a Registration Rights Agreement with the Purchasers at the Closing, pursuant to which, among other things, the Partnership will give the Purchasers certain rights to require the Partnership to file and maintain a registration statement with respect to the resale of the Common Units that are issuable upon conversion of the Preferred Units. In addition, at the Closing, Plains GP Holdings, L.P., the sole member of GP LLC, will execute an amendment to the Limited Liability Company Agreement of GP LLC, the entity at which the Board of Directors responsible for governance of the Partnership resides, pursuant to which, if the Partnership fails to make three distributions on the Preferred Units (whether or not consecutive), the holders of Preferred Units will have a right to appoint a new member of the Board of Directors of GP LLC to serve until such time as all accrued and unpaid distributions on the Preferred Units are paid in full. Three of GP LLC's current directors, Gary Petersen, John Raymond and Bob Sinnott, are affiliated with certain of the Purchasers. In addition, KACALP and certain of its affiliates and an affiliate of EMG hold significant ownership interests in the Partnership's general partner.

ITEM 3.02 Unregistered Sales of Equity Securities

The information regarding the Private Placement set forth in Item 1.01 of this Current Report is incorporated by reference into this Item 3.02. The Private Placement of the Preferred Units pursuant to the Unit Purchase Agreement will be undertaken in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof.

ITEM 7.01 Regulation FD Disclosure

On January 12, 2016, the Partnership issued a press release announcing the execution of the Unit Purchase Agreement. A copy of the press release is furnished as Exhibit 99.1 to this Current Report.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 7.01 and in Exhibit 99.1 is deemed to be furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1 Press release dated January 12, 2016.

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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.

PLAINS ALL AMERICAN PIPELINE, L.P.

Date: January 19, 2016

By: PAA GP LLC, its general partner

By: Plains AAP, L.P., its sole member

By: Plains All American GP LLC, its general partner

By: /s/ Richard McGee

Name: Richard McGee

Title: Executive Vice President

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INDEX TO EXHIBITS

**Exhibit
No.**

Description

99.1 Press release dated January 12, 2016.

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FOR IMMEDIATE RELEASE

Plains All American Pipeline, L.P. Announces \$1.5 Billion Private Placement of 8% Perpetual Series A Convertible Preferred Units

PAA's General Partner Also Agrees to Modify IDRs

Houston — January 12, 2016 - Plains All American Pipeline, L.P. (NYSE: PAA) today announced that it has received binding commitments for the purchase of approximately \$1.5 billion of equity capital. The purchasers will acquire approximately 56 million units of a newly authorized series of 8% Perpetual Series A Convertible Preferred Units (the "Preferred Units") at a price of \$26.25 per unit. The Preferred Units will bear an annual distribution of \$2.10 per unit. After two years, the Preferred Units are convertible at the purchasers' option into PAA common units on a one for one basis (subject to customary anti-dilution adjustments), and are convertible at PAA's option in certain circumstances after three years. Closing of the transaction is scheduled to occur prior to the end of January 2016.

The net proceeds, after deducting offering expenses and including the general partner's proportionate 2% equity contribution, are approximately \$1.5 billion. PAA expects to use the proceeds for capital expenditures, repayment of debt, and general partnership purposes. The primary purchasers include affiliates of EnCap Investments L.P., EnCap Flatrock Midstream, The Energy Minerals Group, Kayne Anderson Capital Advisors, L.P., and First Reserve Advisors, L.L.C.

In connection with this transaction, PAA's general partner agreed to modify its incentive distribution rights ("IDRs"). As a result of this modification, when the Preferred Units convert into PAA common units, the IDRs associated with the resulting common units will only participate in distribution growth above PAA's current distribution level of \$2.80 per converted common unit. Assuming all Preferred Units convert into PAA common units, the modification represents a permanent IDR reduction of approximately \$90 million per year.

"We believe this transaction is extremely positive for PAA and all of its stakeholders," said Greg Armstrong, Chairman and Chief Executive Officer. "This 'one and done' transaction enables PAA to accomplish a number of objectives, including:

- Immediately strengthen PAA's balance sheet and liquidity;
- Reinforce PAA's commitment to maintaining mid-to-high BBB and Baa credit ratings and fund its capital program in a very debt friendly manner;
- Satisfy PAA's equity financing needs for all of 2016 and, in all material respects, all of 2017;
- Address concerns about PAA's ability to sustain its distribution;
- Resolve investor concerns about PAA's need to routinely access equity capital markets; and
- Substantially insulate PAA from further capital market disruptions."

In a separate release, PAA also announced a quarterly cash distribution of \$0.70 per limited partner unit (\$2.80 per unit on an annualized basis), and Plains GP Holdings (NYSE: PAGP) announced a quarterly cash distribution of \$0.231 per Class A share (\$0.924 per Class A share on an annualized basis). Both distributions are unchanged from the quarterly distributions paid in November 2015.

PAA will conduct a conference call on Tuesday, January 12, 2016 to discuss the Preferred Unit transaction and PAA's outlook for 2016 and beyond. The conference call will be held at 10:00 a.m. ET (9:00 a.m. CT).

Conference Call Access Instructions

Access to the live conference call is available by dialing toll free (800) 230-1085. International callers should dial (612) 288-0329. No password is required. To access the slide presentation accompanying the conference call, please go to www.plainsallamerican.com, navigate to "Investor Relations," select "PAA," then "News & Events," and then "Conference Calls." The slide presentation will be available a few minutes prior to the call at the above referenced website.

Telephonic Replay Instructions

To listen to a telephonic replay of the conference call, please dial (800) 475-6701, or (320) 365-3844 for international callers, and enter replay access code 383873. The replay will be available beginning Tuesday, January 12, 2016, at approximately 12:30 p.m. ET and will continue until 12:59 a.m. ET on February 12, 2016.

The securities offered in the private placement have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements of the Securities Act and applicable state laws.

This press release is neither an offer to sell nor a solicitation of an offer to purchase the securities described herein.

Plains All American Pipeline, L.P. is a publicly traded master limited partnership that owns and operates midstream energy infrastructure and provides logistics services for crude oil, natural gas liquids ("NGL"), natural gas and refined products. PAA owns an extensive network of pipeline transportation, terminalling, storage and gathering assets in key crude oil and NGL producing basins and transportation corridors and at major market hubs in the United States and Canada. On average, PAA handles over 4.4 million barrels per day of crude oil and NGL in its Transportation segment. PAA is headquartered in Houston, Texas.

Plains GP Holdings, L.P. is a publicly traded entity that owns an interest in the general partner and incentive distribution rights of Plains All American Pipeline, L.P., one of the largest energy infrastructure and logistics companies in North America. PAGP is headquartered in Houston, Texas.

Forward Looking Statements

Except for the historical information contained herein, the matters discussed in this release consist of forward-looking statements that involve certain risks and uncertainties that could cause actual results or outcomes to differ materially from results or outcomes anticipated in the forward-looking statements.

These risks and uncertainties include, among other things, failure to implement or capitalize, or delays in implementing or capitalizing, on planned growth projects; declines in the volume of crude oil, refined product and NGL shipped, processed, purchased, stored, fractionated and/or gathered at or through the use of our assets, whether due to declines in production from existing oil and gas reserves, failure to develop or slowdown in the development of additional oil and gas reserves, whether from reduced cash flow to fund drilling or the inability to access capital, or other factors; the effects of competition; 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; 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 occurrence of a natural disaster, catastrophe, terrorist attack or other event, including attacks on our electronic and computer systems; tightened capital markets or other factors that increase our cost of capital or limit 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 currency exchange rate of the Canadian dollar; continued creditworthiness of, and performance by, our counterparties, including financial institutions and trading companies with which we do business; maintenance of our credit rating and ability to receive open credit from our suppliers and trade counterparties; weather interference with business operations or project construction, including the impact of extreme weather events or conditions; the availability of, and our ability to consummate, acquisition or combination opportunities; 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; increased costs, or lack of availability, of insurance; non-utilization of our assets and facilities; the effectiveness of our risk management activities; shortages or cost increases of supplies, materials or labor; the impact of current and future laws, rulings, governmental regulations, accounting standards and statements and related interpretations; fluctuations in the debt and equity markets, including the price of our units at the time of vesting under our long-term incentive plans; risks related to the development and operation of our assets, including our ability to satisfy our contractual obligations to our customers; inability to recognize current revenue attributable to deficiency payments received from customers who fail to ship or move more than minimum contracted volumes until the related credits expire or are used; 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 as discussed in the Partnerships' filings with the Securities and Exchange Commission.

Contact: Ryan Smith
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