
**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): **February 22, 2007**

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)

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))
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Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

On February 22, 2007, the Board of Directors of Plains All American GP LLC, the general partner of our general partner, awarded phantom units under its Long-Term Incentive Plans to Greg L. Armstrong, Harry N. Pefanis, Phil D. Kramer, George R. Coiner, W. Dave Duckett and John P. VonBerg (collectively, the “Named Executive Officers”). These phantom units will vest and become payable in one-third increments upon achieving annualized quarterly distribution levels of \$3.50 per unit, \$3.75 per unit and \$4.00 per unit, and continued employment through May 2011, May 2012 and May 2011, respectively. Upon vesting, the phantom units are payable on a one-for-one basis in common units of Plains All American Pipeline, L.P. (or cash equivalent). Any phantom units that have not vested as of the May 2014 distribution date will be forfeited. The phantom units include associated distribution equivalent rights (“DERs”). The DERs vest and become payable in cash in equal one-fourth increments upon the payment of annualized distributions of \$3.40, \$3.60, \$3.80 and \$4.00. The number of phantom units awarded to each Named Executive Officer is as follows:

| Name and Title | Number of Phantom Units Granted |
|--|------------------------------------|
| Greg L. Armstrong Chairman and Chief Executive Officer | 180,000 |
| Harry N. Pefanis President and Chief Operating Officer | 120,000 |
| Phil D. Kramer Executive Vice President and Chief Financial Officer | 60,000 |
| George R. Coiner Senior Group Vice President | 90,000 |
| W. Dave Duckett President, PMC (Nova Scotia) Company | 75,000 |
| John P. vonBerg Vice President — Trading | 54,000 |

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit 10.1 — Forms of LTIP Grant Letters dated February 22, 2007 (Named Executive Officers)

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: February 28, 2007

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

Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| Exhibit 10.1 | — Forms of LTIP Grant Letters dated February 22, 2007 (Named Executive Officers) |



«GrantDate»

«FirstName» «MI» «LastName»
«Address»
«City», «State» «Zip»

Re: Grant of Phantom Units

Dear «FirstName»:

I am pleased to inform you that you have been granted «Units» Phantom Units as of the above date pursuant to the Company's Long-Term Incentive Plan (the "Plan"). In addition, in tandem with each Phantom Unit you have been granted a distribution equivalent right (a "DER"). The terms and conditions of this grant are as set forth below.

1. Subject to the further provisions of this Agreement, your Phantom Units shall vest (become payable in the form of one Common Unit of Plains All American Pipeline, L.P. for each Phantom Unit) as follows: (i) 33.33% shall vest upon the later to occur of the May 2011 Distribution Date and the date on which the Partnership pays a quarterly distribution of at least \$0.875 per unit, (ii) 33.33% shall vest upon the later to occur of the May 2011 Distribution Date and the date on which the Partnership pays a quarterly distribution of at least \$1.00 per unit, and (iii) 33.34% shall vest upon the later to occur of the May 2012 Distribution Date and the date on which the Partnership pays a quarterly distribution of at least \$0.9375 per unit. Any remaining Phantom Units that are not vested by the May 2014 Distribution Date, and any tandem DERs (regardless of vesting) associated with such Phantom Units, shall expire on such date.
2. Subject to the further provisions of this Agreement, your DERs shall vest (become payable in cash) as follows: (i) 25% shall vest upon and effective with the date on which the Partnership pays a quarterly distribution of at least \$0.85 per unit, (ii) 25% shall vest upon and effective with date on which the Partnership pays a quarterly distribution of at least \$0.90 per unit, (iii) 25% shall vest upon and effective with the date on which the Partnership pays a quarterly distribution of at least \$0.95 per unit, and (iv) 25% shall vest upon and effective with date on which the Partnership pays a quarterly distribution of at least \$1.00 per unit.
3. Your DERs shall not accrue payments prior to vesting.
4. Any distribution level required for vesting under paragraphs 1 or 2 above shall be proportionately reduced or increased for any split or reverse split, respectively, of the Units, or any event or transaction having similar effect.

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5. Upon vesting of any Phantom Units, an equivalent number of DERs will expire. Any such DERs that are vested prior to, or that would vest as of, the Distribution Date on which the Phantom Units vest, shall be payable on such Distribution Date prior to their expiration.
 6. In the event of the termination of your employment with the Company and its Affiliates (other than in connection with a Change in Status or by reason of your death, “disability,” as defined in paragraph 7 below, or “retirement” as defined in paragraph 8 below), all of your then outstanding DERs (regardless of vesting) and Phantom Units shall automatically be forfeited as of the date of termination; provided, however, that if the Company or its Affiliates terminate your employment other than a Termination for Cause: (i) any unvested Phantom Units that have satisfied all vesting criteria as of the date of termination but for the passage of time shall be deemed nonforfeitable on the date of termination, and shall vest on the next following Distribution Date; (ii) any DERs associated with the unvested, nonforfeitable Phantom Units described in clause (i) shall not be forfeited on the date of termination, but shall be payable and shall expire in accordance with paragraph 5 above; and (iii) any unvested Phantom Units that have satisfied none of the vesting criteria as of the date of termination, and any tandem DERs (regardless of vesting) associated with such Phantom Units, shall automatically be forfeited as of the date of termination.
 7. In the event of termination of your employment with the Company and its Affiliates by reason of your death or your “disability” (a physical or mental infirmity that impairs your ability substantially to perform your duties for a period of eighteen months or that the Company otherwise determines constitutes a “disability”), all of your then outstanding Phantom Units and tandem DERs shall be deemed 100% nonforfeitable on such date, and such Phantom Units and DERs shall vest in accordance with paragraph 1 and paragraph 2 above.
 8. In the event of your retirement, 50% of any unvested Phantom Units that have satisfied all vesting criteria as of the date of termination but for the passage of time shall be deemed nonforfeitable on the date of termination, and shall vest on the next following Distribution Date; provided, that any DERs associated with the unvested, nonforfeitable Phantom Units described in this paragraph shall not be forfeited on the date of termination, but shall be payable and shall expire in accordance with paragraph 5 above. All other unvested Phantom Units and tandem DERs (regardless of vesting) shall automatically be forfeited as of the date of retirement. “Retirement” means (i) you have reached the age of 60 prior to meeting the time requirement for vesting, (ii) you provide a written statement that you are retiring, and (iii) the written statement includes your agreement not to accept any employment or consulting position with any competitor in the hydrocarbon midstream business for a period of two years after the date of retirement.
 9. In the event of a Change in Status, all of your then outstanding Phantom Units and tandem DERs shall be deemed 100% nonforfeitable on such date, and such Phantom Units shall vest in full upon the next Distribution Date.
 10. Upon payment pursuant to a DER, you agree that the Company may withhold any taxes due from your compensation as required by law. Upon vesting of a Phantom Unit, you agree that the Company may withhold any taxes due from your
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compensation as required by law, which (in the sole discretion of the Company) may include withholding a number of Common Units otherwise payable to you.

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 phrase “Change in Status” means the occurrence, within three months prior to or one year following a Change of Control, of any of the following circumstances: (A) any termination by the Company of your employment other than a Termination for Cause, (B) without your consent, any removal of you from, or any failure to re-elect you to, the positions held by you (or substantially equivalent positions) immediately prior to the change that may constitute a Change in Status, or (C) any reduction in your base salary or (D) any material reduction in your fringe benefits.

The phrase “Change of Control” means, and shall be deemed to have occurred upon the occurrence of, one or more of the following events: (i) the Company ceasing to be the general partner of the general partner of the Partnership, (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Partnership or the Company to any Person and/or its Affiliates, other than to the Partnership or the Company, including any employee benefit plan thereof; (iii) a consolidation, reorganization, merger or any other similar transaction involving (a) a Person other than the Partnership or the Company and (b) the Partnership, the Company or both, (iv) the Persons who own membership interests in the Company on the date hereof cease to beneficially own, directly or indirectly, more than 50% of the membership interest in the Company, or (v) any Person, including any partnership, limited partnership, syndicate or other group deemed a “person” for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended, becoming after the date hereof the beneficial owner, directly or indirectly, of more than 49.9% of the membership interest in the Company.

The phrase “Termination for Cause” shall mean severance of your employment with the Company or its Affiliates based on your (i) failure to perform your job function in accordance with standards described to you in writing, or (ii) violation of the Company’s Code of Business Conduct (unless waived in accordance with the terms thereof), in each case, with the specific failure or violation described to you in writing.

The “Company” refers to Plains All American GP LLC. The “Partnership” refers to Plains All American Pipeline, L.P.

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 Phantom Units and DERs granted hereunder are governed by the terms of the Plan. Copies of the Plan and the Partnership Agreement are available upon request. This letter corrects and replaces a similar letter of the same date. Please execute and return this Agreement to me. The attached copy of this Agreement is for your records.

«FirstName» «MI» «LastName»

- 4 -

«GrantDate»

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 MI Last Name

Units: _____
«Units»

SSN: _____
«SSN»

Dated: _____

Form of LTIP Grant Letter—
Coiner



«GrantDate»

«FirstName» «MI» «LastName»
«Address»
«City», «State» «Zip»

Re: Grant of Phantom Units

Dear «FirstName»:

I am pleased to inform you that you have been granted «Units» Phantom Units as of the above date pursuant to the Company's 2005 Long-Term Incentive Plan (the "Plan"). In addition, in tandem with each Phantom Unit you have been granted a distribution equivalent right (a "DER"). The terms and conditions of this grant are as set forth below.

1. Subject to the further provisions of this Agreement, your Phantom Units shall vest (become payable in cash based on the Market Value of an equivalent number of Common Units of Plains All American Pipeline, L.P.) as follows: (i) 33.33% shall vest upon the later to occur of the May 2011 Distribution Date and the date on which the Partnership pays a quarterly distribution of at least \$0.875 per unit, (ii) 33.33% shall vest upon the later to occur of the May 2011 Distribution Date and the date on which the Partnership pays a quarterly distribution of at least \$1.00 per unit, and (iii) 33.34% shall vest upon the later to occur of the May 2012 Distribution Date and the date on which the Partnership pays a quarterly distribution of at least \$0.9375 per unit. Any remaining Phantom Units that are not vested by the May 2014 Distribution Date, and any tandem DERs (regardless of vesting) associated with such Phantom Units, shall expire on such date.
2. Subject to the further provisions of this Agreement, your DERs shall vest (become payable in cash) as follows: (i) 25% shall vest upon and effective with the date on which the Partnership pays a quarterly distribution of at least \$0.85 per unit, (ii) 25% shall vest upon and effective with date on which the Partnership pays a quarterly distribution of at least \$0.90 per unit, (iii) 25% shall vest upon and effective with the date on which the Partnership pays a quarterly distribution of at least \$0.95 per unit, and (iv) 25% shall vest upon and effective with date on which the Partnership pays a quarterly distribution of at least \$1.00 per unit.
3. Your DERs shall not accrue payments prior to vesting.
4. Any distribution level required for vesting under paragraphs 1 or 2 above shall be proportionately reduced or increased for any split or reverse split, respectively, of the Units, or any event or transaction having similar effect.

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5. Upon vesting of any Phantom Units, an equivalent number of DERs will expire. Any such DERs that are vested prior to, or that would vest as of, the Distribution Date on which the Phantom Units vest, shall be payable on such Distribution Date prior to their expiration.
 6. In the event of the termination of your employment with the Company and its Affiliates (other than in connection with a Change in Status or by reason of your death, “disability,” as defined in paragraph 7 below, or “retirement” as defined in paragraph 8 below), all of your then outstanding DERs (regardless of vesting) and Phantom Units shall automatically be forfeited as of the date of termination; provided, however, that if the Company or its Affiliates terminate your employment other than a Termination for Cause: (i) any unvested Phantom Units that have satisfied all vesting criteria as of the date of termination but for the passage of time shall be deemed nonforfeitable on the date of termination, and shall vest on the next following Distribution Date; (ii) any DERs associated with the unvested, nonforfeitable Phantom Units described in clause (i) shall not be forfeited on the date of termination, but shall be payable and shall expire in accordance with paragraph 5 above; and (iii) any unvested Phantom Units that have satisfied none of the vesting criteria as of the date of termination, and any tandem DERs (regardless of vesting) associated with such Phantom Units, shall automatically be forfeited as of the date of termination.
 7. In the event of termination of your employment with the Company and its Affiliates by reason of your death or your “disability” (a physical or mental infirmity that impairs your ability substantially to perform your duties for a period of eighteen months or that the Company otherwise determines constitutes a “disability”), all of your then outstanding Phantom Units and tandem DERs shall be deemed 100% nonforfeitable on such date, and such Phantom Units and DERs shall vest in accordance with paragraph 1 and paragraph 2 above.
 8. In the event of your retirement, 50% of any unvested Phantom Units that have satisfied all vesting criteria as of the date of termination but for the passage of time shall be deemed nonforfeitable on the date of termination, and shall vest on the next following Distribution Date; provided, that any DERs associated with the unvested, nonforfeitable Phantom Units described in this paragraph shall not be forfeited on the date of termination, but shall be payable and shall expire in accordance with paragraph 5 above. All other unvested Phantom Units and tandem DERs (regardless of vesting) shall automatically be forfeited as of the date of retirement. “Retirement” means (i) you have reached the age of 60 prior to meeting the time requirement for vesting, (ii) you provide a written statement that you are retiring, and (iii) the written statement includes your agreement not to accept any employment or consulting position with any competitor in the hydrocarbon midstream business for a period of two years after the date of retirement.
 9. In the event of a Change in Status, all of your then outstanding Phantom Units and tandem DERs shall be deemed 100% nonforfeitable on such date, and such Phantom Units shall vest in full upon the next Distribution Date.
 10. Upon payment pursuant to a DER, you agree that the Company may withhold any taxes due from your compensation as required by law. Upon vesting of a Phantom
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Unit, you agree that the Company may withhold any taxes due from your compensation as required by law, which (in the sole discretion of the Company) may include withholding a number of Common Units otherwise payable to you.

As used herein, the phrase “Distribution Date” means the date, in any given month and year, on which the Partnership pays a quarterly distribution. “Market Value” means the average of the closing sales prices for a Common Unit on the New York Stock Exchange for the five trading days preceding the then most recent “ex dividend” date for payment of a distribution by the Partnership.

The phrase “Change in Status” means the occurrence, within three months prior to or one year following a Change of Control, of any of the following circumstances: (A) any termination by the Company of your employment other than a Termination for Cause, (B) without your consent, any removal of you from, or any failure to re-elect you to, the positions held by you (or substantially equivalent positions) immediately prior to the change that may constitute a Change in Status, or (C) any reduction in your base salary or (D) any material reduction in your fringe benefits.

The phrase “Change of Control” means, and shall be deemed to have occurred upon the occurrence of, one or more of the following events: (i) the Company ceasing to be the general partner of the general partner of the Partnership, (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Partnership or the Company to any Person and/or its Affiliates, other than to the Partnership or the Company, including any employee benefit plan thereof; (iii) a consolidation, reorganization, merger or any other similar transaction involving (a) a Person other than the Partnership or the Company and (b) the Partnership, the Company or both, (iv) the Persons who own membership interests in the Company on the date hereof cease to beneficially own, directly or indirectly, more than 50% of the membership interest in the Company, or (v) any Person, including any partnership, limited partnership, syndicate or other group deemed a “person” for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended, becoming after the date hereof the beneficial owner, directly or indirectly, of more than 49.9% of the membership interest in the Company.

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The “Company” refers to Plains All American GP LLC. The “Partnership” refers to Plains All American Pipeline, L.P.

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 Phantom Units and DERs granted hereunder are governed

«FirstName» «MI» «LastName»

- 4 -

«GrantDate»

by the terms of the Plan. Copies of the Plan and the Partnership Agreement are available upon request. This letter corrects and replaces a similar letter of the same date. 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

FirstName MI Last Name

Units: _____ «Units»

SSN: _____ «SSN»

Dated: _____