**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**

**August 27, 2009**
**Date of Report (Date of earliest event reported)**

# Plains All American Pipeline, L.P.

(Exact name of registrant as specified in its charter)

| **Delaware** | **1-14569** | **76-0582150** |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (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)

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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 3.02. Unregistered Sales of Equity Securities.**

In connection with the acquisition of a 50% indirect interest in PAA Natural Gas Storage, LLC ("PNGS") from Vulcan Gas Storage, LLC ("Vulcan"), as described in Item 7.01 below, Plains All American Pipeline, L.P. ("PAA" or the "Partnership") has agreed to issue 1,907,305 of its common units as a portion of the consideration to be paid for such interest.

The Partnership believes that this transaction is exempt from registration requirements pursuant to Section 4(2) of the Securities Act of 1933, as amended, or Regulation D promulgated thereunder. Vulcan has represented its intention to acquire the securities for investment only and not with a view toward their distribution, and appropriate legends will be affixed to the unit certificates.

At the closing, the Partnership and Vulcan will enter into a registration rights agreement pursuant to which the Partnership will agree to file a shelf registration statement within 120 days of the closing (and use its commercially reasonable efforts to have the registration statement declared effective within 240 days of the closing) to permit the resale by Vulcan of the Partnership's common units issued in the transaction.

**Item 7.01. Regulation FD Disclosure.**

In accordance with General Instruction B.2 of Form 8-K, the information presented herein under Item 7.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or Securities Exchange Act of 1934, as amended, except as expressly set forth by specific reference in such a filing.

On August 27, 2009, the Partnership issued a press release announcing that it had executed definitive agreements under which a subsidiary of PAA will acquire Vulcan's 50% indirect interest in PNGS. The Partnership is furnishing a copy of such press release as Exhibit 99.1 hereto.

The Partnership has historically accounted for its 50% indirect interest in PNGS under the equity method. As a result of the acquisition of Vulcan's 50% interest, the Partnership will consolidate the financial statements of the natural gas storage entities into its financial statements and the Partnership will refinance the existing project debt facilities in those entities. Although this acquisition is not considered significant and, accordingly, no pro forma financial statements are required, we are furnishing as Exhibit 99.2 hereto an unaudited pro forma condensed combined balance sheet as of June 30, 2009, illustrating the impact of the consolidation.

**Exhibit 99.1**

**Item 9.01. Exhibits.**

(d) Exhibits.

| | |
|---|---|
| 99.1 | Press Release of Plains All American Pipeline, L.P. dated August 27, 2009. |
| 99.2 | Unaudited Pro Forma Condensed Combined Balance Sheet of Plains All American Pipeline, L.P., dated as of June 30, 2009. |

**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 27, 2009 | PLAINS ALL AMERICAN PIPELINE, L.P. |
| | 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/ Tina L. Val<br>Name: Tina L. Val<br>Title: Vice President - Accounting and Chief Accounting Officer |

Exhibit 99.1

PLAINS ALL AMERICAN PIPELINE, L.P.

News Release

**PAA Contacts:** **Roy I. Lamoreaux**
**Manager, Investor Relations**
**713-646-4222 — 800-564-3036**

**A. Patrick Diamond**
**Vice President**
**713-646-4487 — 800-564-3036**

**Vulcan Contacts:** **David Postman**
**206-342-2370**

**Andrew Cole**
**Sard Verbinnen & Co**
**212-687-8080**

**FOR IMMEDIATE RELEASE**

# Plains All American Pipeline To Acquire Remaining 50% Interest in Natural Gas Storage JV

*— Comments on Intent to Recommend Distribution Increase —*

(Houston — August 27, 2009) Plains All American Pipeline, L.P. (NYSE: PAA) and Vulcan Capital today announced that they have executed definitive agreements under which a subsidiary of PAA will acquire Vulcan Capital's 50% indirect interest in PAA Natural Gas Storage, LLC (PNGS). The aggregate purchase price of $220 million consists of $90 million cash, 1.9 million PAA common units valued at $90 million, and deferred contingent cash consideration of up to $40 million. The contingent consideration is subject to achievement of certain events and performance milestones expected to occur over the next several years. The transaction is expected to close on September 3, 2009.

As a result of the transaction, PAA will own 100% of the natural gas storage business and related operating entities, which will be accounted for on a consolidated basis. The Partnership has historically accounted for its 50% indirect interest in PNGS under the equity method. At closing, PAA will repay the joint venture's outstanding project finance debt using joint venture cash and borrowings under its revolving credit facility. As of June 30, 2009, the joint venture had approximately $450 million of debt and approximately $52 million of cash.

"We are extremely pleased to announce this transaction and are excited about the near-term and long-term potential of the natural gas storage business," said Greg L. Armstrong, CEO of PAA. "This transaction provides economic returns solidly in excess of our weighted average cost of capital and will result in immediate accretion to the Partnership."

"Increasing our interest to 100% will enhance our strategic flexibility with respect to future organic growth and acquisitions, and also increase the visibility of the value that has already been created," said Armstrong. "Notably, the cash-flow stream of our natural gas storage business is essentially 100% fee-based, with currently available storage capacity substantially committed under contracts ranging up to ten years in duration. Moreover, the cash-flow profile is expected to increase steadily over the next several years as we continue to expand the storage capacity through our development activities at our Pine Prairie facility."

Geoff McKay, a Managing Director at Vulcan Capital, said, “We have enjoyed working with the entire PAA team over the last four years to build value together at PNGS. Through our significant equity position in PAA, we will continue to be a meaningful participant in the growth of this and PAA’s other businesses, and we look forward to continuing to support PAA’s future success.”

The transaction was approved by the board of directors of the general partner of PAA and by its conflicts committee. The conflicts committee, which is comprised entirely of independent directors, received a fairness opinion from Simmons & Company International with respect to the consideration paid by PAA in this transaction.

PAA management intends to recommend to its board of directors an increase in the Partnership’s quarterly distribution level to $0.92 per unit, or $3.68 per unit on an annualized basis, effective with the November 2009 distribution, subject to adverse developments in the economic and financial markets, or other events that would make such recommendation inappropriate. To enhance PAA’s distribution coverage ratio over the next 24 months as cash flows ramp-up from expansion activities, PAA’s general partner has agreed to reduce its incentive distributions by an aggregate of $8 million over the next two years — $1.25 million per quarter for the first four quarters and $0.75 million per quarter for the next four quarters. The IDR reduction will become effective with the planned November 2009 distribution increase.

**Conference Call**

The Partnership will host a conference call at 10:00 AM (Central); 11:00 AM (Eastern) on Friday, August 28, 2009, to discuss the acquisition. Specific items to be addressed in this call include:

1. a brief description of the transaction;
2. the Partnership’s financing plans for funding the transaction;
3. the strategic rationale for the transaction;
4. an overview of the PNGS assets and business;
5. certain accounting matters important to an understanding of the transaction impacts on PAA; and
6. the anticipated financial performance of PNGS.

**Webcast Instructions**

To access the Internet webcast, please go to the Partnership’s website at www.paalp.com, choose “Investor Relations,” then choose “Conference Calls.” Following the live webcast, the call will be archived for a period of sixty (60) days on the Partnership’s website.

If you are unable to participate in the webcast, please dial 800-288-8974, or, for international callers, 612-332-0335 at approximately 9:55 AM (Central). No password or reservation number is required. You may access the slide presentation accompanying the conference call a few minutes prior to the call under the Conference Call Summaries portion of the Conference Calls tab of the Investor Relations section of PAA’s website at www.paalp.com.

**Telephonic Replay Instructions**

To listen to a telephonic replay of the conference call, please dial 800-475-6701, or, for international callers, 320-365-3844, and replay access code 113862. The replay will be available beginning Friday, August 28, 2009, at approximately 12:00 PM (Central) and continue until 11:59 PM (Central) on Monday, September 28, 2009.

Plains All American Pipeline, L.P. is a publicly traded master limited partnership engaged in the transportation, storage, terminalling and marketing of crude oil, refined products and liquefied petroleum gas and other natural gas related petroleum products. Through its ownership in PAA Natural Gas Storage, the partnership is also engaged in the development and operation of natural gas storage facilities. The Partnership is headquartered in Houston, Texas.

**Forward Looking Statements**

Except for the historical information contained herein, the matters discussed in this release are forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from results anticipated in the forward-looking statements. These risks and uncertainties include, among other things, risks related to the development and operation of natural gas storage facilities; shortages or cost increases of power supplies, materials or labor; equipment failure; subsurface geology; permitting delays at governmental agencies; weather interference with business operations or project construction; factors affecting supply and demand for natural gas and resulting changes in pricing conditions or storage requirements; the availability of, and our ability to consummate, acquisition or combination opportunities; 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; 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 and fluctuations in tariffs or volumes on third-party pipelines; increased costs or lack of availability of insurance; 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 discussed in the Partnership’s filings with the Securities and Exchange Commission.

# # #

**Exhibit 99.2**

**PLAINS ALL AMERICAN PIPELINE, L.P.**
**INDEX TO UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**

**PLAINS ALL AMERICAN PIPELINE, L.P.**
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**

**Introduction**

The following unaudited pro forma condensed combined balance sheet as of June 30, 2009 gives effect to the following transactions:

**i) Third-quarter financing activities**

- In July 2009, we issued $500 million of 4.25% Senior Notes due 2012.
- In August 2009, $175 million of our 4.75% Senior Notes became due and were repaid.

**ii) The pending acquisition of the remaining 50% of PAA Natural Gas Storage**

As of June 30, 2009, Plains All American Pipeline, L.P. ("PAA") had a 50% indirect equity investment in and was the operator of PAA Natural Gas Storage, LLC ("PNGS"). On August 27, 2009, PAA signed agreements under which a subsidiary of PAA will acquire the remaining 50% indirect ownership interest in PNGS from Vulcan Gas Storage LLC ("VGS") for $220 million, consisting of $180 million to be paid at closing and $40 million of deferred contingent cash consideration. Of the $180 million to be paid at closing, $90 million will be paid in cash and the remainder will be paid in the form of 1.9 million PAA common units. The contingent consideration is payable in two cash installments of $20 million each upon the achievement of pre-defined events or performance benchmarks. We believe there is a high probability these benchmarks will be met. As such, we have reflected the full present value of this contingent consideration in our preliminary purchase price allocation reflected in the accompanying unaudited pro forma condensed combined balance sheet.

The following unaudited pro forma condensed combined balance sheet at June 30, 2009 assumes the transactions were consummated on that date. The unaudited pro forma balance sheet should be read in conjunction with, and is qualified in its entirety by reference to, the notes accompanying such unaudited pro forma balance sheet as well as the notes included in the PAA Form 10-Q for the period ended June 30, 2009.

The unaudited pro forma balance sheet is based on assumptions that we believe are reasonable under the circumstances and is intended for informational purposes only.

**PLAINS ALL AMERICAN PIPELINE, L.P.**
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**
(in millions)

| | As of June 30, 2009 | | | | | |
|---|---|---|---|---|---|---|
| | PAA Historical | 3rd Qtr Financing Activities | PNGS Historical | Fair Value Adjustments | Acquisition Funding, Debt Repayment & Goodwill | Pro Forma PAA |
| Cash and cash equivalents | $ 7 | $ — | $ 52(c) | $ — | $ (52)(e) | $ 7 |
| | | | | | (2)(e) | |
| | | | | | 2(i) | |
| Other current assets | 2,915 | — | 7(c) | —(d) | — | 2,922 |
| Property, plant and equipment, net | 5,255 | — | 624(c) | —(d) | — | 5,879 |
| Investment in unconsolidated entities | 256 | — | — | — | (188)(g) | 68 |
| Goodwill | 1,226 | — | 86(c) | —(d) | 29(j) | 1,341 |
| Other long term assets, net | 344 | 2(a) | 31(c) | —(d) | — | 377 |
| Base gas/linefill | 556 | — | 55(c) | —(d) | — | 611 |
| Total Assets | $ 10,559 | $ 2 | $ 855 | $ — | $ (211) | $ 11,205 |
| Other current liabilities | $ 2,270 | $ — | $ 24(c) | $ —(d) | $ (11)(f) | $ 2,283 |
| Credit facilities and other - short term | 763 | (497)(a) | 3(c) | —(d) | (3)(e) | 441 |
| | | 175(b) | | | | |
| Senior notes - short term | 175 | (175)(b) | — | — | — | — |
| Credit facilities and other - long term | 4 | — | 447(c) | —(d) | 486(e) | 505 |
| | | | | | (447)(e) | |
| | | | | | 15(f) | |
| Senior notes, net - long term | 3,394 | 499(a) | — | — | — | 3,893 |
| Total long-term debt | 3,398 | 499 | 447 | — | 54 | 4,398 |
| Other long term liabilities | 247 | — | 5(c) | —(d) | (4)(f) | 285 |
| | | | | | 37(h) | |
| Total Liabilities | 6,853 | 2 | 479(c) | — | 73 | 7,407 |
| Limited partners | 3,558 | — | — | — | 90(h) | 3,648 |
| General partner | 85 | — | — | — | 2(i) | 87 |
| Non-controlling interest | 63 | — | — | — | — | 63 |
| Total liabilities and partners' capital | $ 10,559 | $ 2 | $ 479 | $ — | $ 165 | $ 11,205 |

**PLAINS ALL AMERICAN PIPELINE, L.P.**
**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**

This unaudited pro forma condensed combined balance sheet and underlying pro forma adjustments are based upon currently available information and certain estimates and assumptions made by management; therefore, actual results could differ materially from the pro forma information. However, we believe the assumptions provide a reasonable basis for presenting the significant effects of the transactions noted herein. We believe the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the pro forma information. Please read "Pro Forma Sensitivity Analysis" below for assumptions related to fair value estimates.

**Third-Quarter Financing Activities**

***Pro Forma Adjustments***

a. Records the issuance of $500 million of 4.25% senior notes due 2012, net of discounts and transactions costs. The proceeds were used to pay down our credit facility.

b. Records the repayment of $175 million of 4.75% notes due August 15, 2009 using our credit facility.

**The Pending Acquisition of the Remaining 50% of PNGS**

The acquisition presented in these pro forma statements has been accounted for using the acquisition method of accounting in accordance with the "Business Combinations" section of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification. Although we have not yet made any adjustments to the allocation of value, upon completion of the acquisition or shortly thereafter, we will develop a definitive allocation of the purchase price. As a result, the final purchase price allocation could vary significantly from the amounts shown here.

***Pro Forma Adjustments***

c. To record the historical basis of the PNGS assets and liabilities acquired.

d. For purposes of this presentation, the fair value of the assets acquired and liabilities assumed is based on book value and does not reflect any adjustments to the carrying value that may be required by the application of the FASB Business Combinations guidance. Under the FASB Business Combinations guidance, any excess of the purchase price over the net fair value of assets acquired and liabilities assumed is assigned to goodwill for the additional 50% acquired and any excess or shortfall of fair value over book value for the 50% we already owned is allocated to gain or loss. Please read "Pro Forma Sensitivity Analysis" below for assumptions related to fair value estimates.

e. Extinguish PNGS debt of $450 million and pay the cash portion of the purchase price of $90 million using the following sources:

| **Sources:** | |
|---|---|
| PNGS cash | $ 52 |
| GP proportionate capital contribution | 2 |
| PAA debt | 486 |
| | $540 |

f. Terminate the PNGS interest rate swaps. The June 30, 2009 value of the interest rate swaps was $15 million; the fair value on the day of close will be the actual payoff amount.

g. Eliminate PAA's historical investment in PNGS.

h. Record the equity and contingent consideration portions of the acquisition. The value of the equity issued in conjunction with the acquisition will be based on the fair value (i.e. closing price) on the day that control is ultimately obtained (in this case, the closing date). The fair value of the $40 million contingent consideration is based on a high probability that the contingencies will occur and is currently estimated at a present value of $37 million based on a risk free cost of capital.

i. Record PAA's general partner's proportionate equity contribution.

j. Record goodwill on the 50% acquired and gain/loss on the 50% that we already owned.

| | 50% Acquired |
|---|---|
| Cash | $ 90 |
| PAA equity(1) | 90 |
| Paid at closing | 180 |
| Fair value of contingent consideration (1) | 37 |
| Total purchase price | $ 217 |
| Fair value of assets & liabilities (2) | $ 188 |
| Goodwill | $ 29 |

| | 50% Owned |
|---|---|
| Book value | $ 188 |
| Fair value (2) | $ 188 |
| Gain/loss | $ — |

(1) See footnote h. above.

(2) Assumes fair value equals book value; see footnote d. above and "Pro Forma Sensitivity Analysis" below.

## PRO FORMA SENSITIVITY ANALYSIS

For purposes of this presentation, the fair value of the assets acquired and liabilities assumed is based on book value and does not reflect any adjustments to the carrying value that may be required by the application of the FASB Business Combinations guidance. Upon completion of the acquisition or shortly thereafter, we will develop a definitive allocation of the purchase price. As a result, the final purchase price allocation will result in changes to the amount of goodwill and gain/loss recorded. Below are some sensitivities to illustrate the impact that these uncertainties can have on the recorded results (in millions):

| Change in Net Fair Value of Assets and Liabilities Acquired | 50% Acquired | 50% Owned |
|---|---|---|
| 10% Decrease | Increase in goodwill of $19 | Loss of $19 |
| 20% Decrease | Increase in goodwill of $38 | Loss of $38 |
| 10% Increase | Decrease in goodwill of $19 | Gain of $19 |
| 20% Increase | Zero goodwill; gain of $8 | Gain of $38 |

Examples of items that, based on their fair value at closing, could cause changes in the final purchase price allocation and thus the amount of goodwill and gain/loss recorded:

- PAA unit price
- Fair value of contingent consideration
- PNGS debt balance
- Book value of our investment in PNGS
- Fair value of assets and liabilities acquired