

PAA NATURAL GAS STORAGE LP  
 Form 4  
 May 05, 2010

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Plains All American GP LLC

2. Issuer Name and Ticker or Trading Symbol  
 PAA NATURAL GAS STORAGE LP [PNG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_ Other (specify below)

333 CLAY STREET, SUITE 1600

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_ Form filed by One Reporting Person  
 \_X\_ Form filed by More than One Reporting Person

(Street)

HOUSTON, TX 77002

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
Common Units	05/05/2010		A	V 18,106,529 (2)	A \$ 18,106,529 21.5 (2)	I	See Note (1)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount of Underlying Security (Instr. 3 and 4)
Series A Subordinated Units	\$ 0 <sup>(3)</sup>	05/05/2010		A	13,934,351 <sup>(2)</sup>	<sup>(3)</sup> / <sup>(3)</sup>	Common Units	13,934,351
Series B Subordinated Units	\$ 0 <sup>(3)</sup>	05/05/2010		A	11,500,000 <sup>(2)</sup>	<sup>(3)</sup> / <sup>(3)</sup>	Common Units	11,500,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Plains All American GP LLC 333 CLAY STREET, SUITE 1600 HOUSTON, TX 77002			X	
Plains AAP, L.P. 333 CLAY STREET, SUITE 1600 HOUSTON, TX 77002			X	
PAA GP LLC 333 CLAY STREET, SUITE 1600 HOUSTON, TX 77002			X	
PLAINS ALL AMERICAN PIPELINE LP 333 CLAY STREET, SUITE 1600 HOUSTON, TX 77002			X	

## Signatures

/s/ Tim Moore, Vice President 05/05/2010

\*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) As of May 5, 2010, (i) PAA GP LLC is the general partner of Plains All American Pipeline, L.P. ("PAA"), (ii) Plains AAP, L.P. owns all of the membership interests in PAA GP LLC, and (iii) Plains All American GP LLC is the general partner of Plains AAP, L.P. Accordingly, PAA GP LLC, Plains AAP, L.P. and Plains All American GP LLC may be deemed to be indirect beneficial owners of any securities held by PAA.
- (2) In connection with the closing of the initial public offering of the Issuer's Common Units (the "Offering") and in exchange for the contribution of certain assets to the Issuer by PAA and certain of its affiliates, PAA received 18,106,529 Common Units, 13,934,351

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Series A Subordinated Units and 11,500,000 Series B Subordinated Units, representing a 74.8% limited partner interest.

- The Series A Subordinated Units will convert into Common Units on a one-for one basis at the end of the subordination period described in the Issuer's Registration Statement on Form S-1 (333-164492). The Series B Subordinated Units will convert into Series A Subordinated Units on a one-for-one basis upon satisfaction of certain operational and financial conditions described in the Issuer's Registration Statement (or directly into Common Units on a one-for-one basis if the subordination period has already ended at the time such operational and financial conditions are satisfied). The Series A Subordinated Units have no expiration date. The Series B Subordinated Units that remain outstanding as of December 31, 2018 will automatically be cancelled.
- (3)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.