PLAINS ALL AMERICAN PIPELINE LP
Form 424B5
September 10, 2009

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Filed pursuant to Rule 424(b)(5)
Registration No. 333-155671

PROSPECTUS SUPPLEMENT
(To prospectus dated December 11, 2008)

4,600,000 Common Units
Representing Limited Partner Interests

We are selling 4,600,000 of our common units in this offering. This amount includes 1,070,663 common units with an aggregate value of $50 million (based on the public offering price) to be purchased by an affiliate of an owner of an aggregate 10 percent interest in our general partner entities. This general partner owner is a wholly owned subsidiary of one of the largest oil and gas companies in the United States, with an equity market capitalization of over $50 billion and a single-A credit rating at both Moody s Investors Service and Standard and Poor s Ratings Services. Please read Underwriting in this prospectus supplement. Our common units are listed on the New York Stock Exchange under the symbol PAA. The last reported sale price of our common units on the New York Stock Exchange on September 8, 2009 was $47.78 per common unit.

Investing in our common units involves risks. See Risk Factors on page S-8 of this prospectus supplement and beginning on page 5 of the accompanying prospectus.

	Per Common Unit	Total
Public Offering Price	$ 46.70	$ 214,820,000
Underwriting Discount(1)	$ 1.43	$ 5,046,952
Proceeds, before expenses, to Plains All American Pipeline, L.P.	$ 45.27	$ 209,773,048

(1) The underwriters will receive no discounts or commissions on the sale of an aggregate 1,070,663 common units to be purchased by an affiliate of an owner of an aggregate 10 percent interest in our general partner entities. Please read Underwriting in this prospectus supplement.

Delivery of the common units will be made on or about September 14, 2009.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We have granted the underwriters an option to purchase up to 690,000 additional common units.

Joint Book-Running Managers

Citi BofA Merrill Lynch J.P. Morgan UBS Investment Bank

Co-Managers

Barclays Capital

Raymond James

Wells Fargo Securities

The date of this prospectus supplement is September 9, 2009.

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Important Notice About Information in this Prospectus Supplement and the Accompanying Prospectus

This document is in two parts. The first part is the prospectus supplement, which describes our business and the specific terms of this offering. The second part, the base prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined.

If the description of the offering varies between the prospectus supplement and the base prospectus, you should rely on the information in the prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus or any free writing prospectus relating to this offering of common units. Neither we nor the underwriters have authorized anyone to provide you with different information. We are not making an offer of the common units in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus, any free writing prospectus or in the documents incorporated by reference in this prospectus is accurate as of any date other than the date on the front of those documents.

The information in this prospectus supplement is not complete. You should review carefully all of the detailed information appearing in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference before making any investment decision.

FORWARD-LOOKING STATEMENTS

All statements included or incorporated by reference in this prospectus supplement, other than statements of historical fact, are forward-looking statements, including but not limited to statements identified by the words anticipate, believe, estimate, expect, plan, intend and forecast, as well as similar expressions and statements regarding ou business strategy, plans and objectives of our management for future operations. The absence of these words, however, does not mean that the statements are not forward-looking. These statements reflect our current views with respect to future events, based on what we believe are reasonable assumptions. Certain factors could cause actual results to differ materially from results anticipated in the forward-looking statements. These factors include, but are not limited to:

- 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;
- abrupt or severe declines or interruptions in outer continental shelf production located offshore California and transported on our pipeline systems;
- shortages or cost increases of power supplies, materials or labor;

the availability of adequate third-party production volumes for transportation and marketing in the areas in which we operate and other factors that could cause declines in volumes shipped on our pipelines by us and third-party shippers, such as declines in production from existing oil and gas reserves or failure to develop additional oil and gas 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;

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- the availability of, and our ability to consummate, acquisition or combination opportunities;
- 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;
- unanticipated changes in crude oil market structure and volatility (or lack thereof);
- 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;
- fluctuations in the debt and equity markets, including the price of our units at the time of vesting under our long-term incentive plans;
- the currency exchange rate of the Canadian dollar;
- weather interference with business operations or project construction;
- risks related to the development and operation of natural gas storage facilities;
- 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.

Other factors described herein or incorporated by reference, or factors that are unknown or unpredictable, could also have a material adverse effect on future results. Please read Risk Factors beginning on page S-8 of this prospectus supplement, beginning on page 5 of the accompanying prospectus and in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008. Except as required by applicable securities laws, we do not intend to update these forward-looking statements and information.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before making an investment decision. You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated herein by reference for a more complete understanding of this offering of common units. Please read Risk Factors beginning on page S-8 of this prospectus supplement, on page 5 of the accompanying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2008 for information regarding risks you should consider before investing in our common units.

Except as the context otherwise indicates, the information in this prospectus supplement assumes no exercise of the underwriters option to purchase additional common units.

For purposes of this prospectus supplement and the accompanying prospectus, unless the context clearly indicates otherwise, we, us, our and the Partnership refer to Plains All American Pipeline, L.P. and its subsidiaries. References to our general partner, as the context requires, include any or all of PAA GP LLC, Plains AAP, L.P. and Plains All American GP LLC.

Plains All American Pipeline, L.P.

We are a Delaware limited partnership formed in September 1998. Our operations are conducted directly and indirectly through our primary operating subsidiaries. We are engaged in the transportation, storage, terminalling and marketing of crude oil, refined products and liquefied petroleum gas and other natural gas-related petroleum products. We refer to liquefied petroleum gas and other natural gas-related petroleum products collectively as LPG. In addition, through PAA/Vulcan Gas Storage, LLC, our indirectly wholly owned subsidiary, which we refer to in this prospectus supplement as PNGS, we are involved in the development and operation of natural gas storage facilities. See Recent Developments for a discussion of our recent acquisition of the 50% interest in PNGS not previously owned by us, which closed on September 3, 2009.

We are one of the largest midstream crude oil companies in North America. We have an extensive network of pipeline transportation, terminalling, storage and gathering assets in key oil-producing basins and transportation corridors, and at major market hubs in the United States and Canada. We manage our operations through three primary operating segments: (i) Transportation, (ii) Facilities and (iii) Marketing.

Transportation Segment. Our transportation segment operations generally consist of fee-based activities associated with transporting crude oil and refined products on pipelines, gathering systems, trucks and barges. As of June 30, 2009, we employed a variety of owned or leased long-term physical assets throughout the United States and Canada in this segment, including approximately:

- 17,000 miles of active crude oil and refined products pipelines and gathering systems;
- 24 million barrels of active, above-ground tank capacity used primarily to facilitate pipeline throughput;
- 1 million barrels of crude oil linefill in pipelines owned by us;
- 86 trucks and 341 trailers; and

65 transport and storage barges and 36 transport tugs through our interest in Settoon Towing, LLC (Settoon Towing).

We also include in this segment our equity earnings from our investments in Butte Pipe Line Company, Frontier Pipeline Company and Settoon Towing, in which we own non-controlling interests.

Facilities Segment. Our facilities segment operations generally consist of fee-based activities associated with providing storage, terminalling and throughput services for crude oil, refined products and LPG, as well as LPG fractionation and isomerization services. As of June 30, 2009, we owned and employed a variety of long-term physical assets throughout the United States and Canada in this segment, including:

- approximately 55 million barrels of crude oil and refined products capacity primarily at our terminalling and storage locations;
- approximately 6 million barrels of LPG storage capacity; and
- a fractionation plant in Canada with a processing capacity of 4,400 barrels per day, and a fractionation and isomerization facility in California with an aggregate processing capacity of 22,500 barrels per day.

At June 30, 2009, we were in the process of constructing approximately 5 million barrels of additional above-ground crude oil and refined product terminalling and storage facilities.

Our facilities segment also includes our investment in PNGS. At June 30, 2009, PNGS owned and operated approximately 40 billion cubic feet (Bcf) of natural gas storage capacity at its Bluewater facility in Michigan and Pine Prairie facility in South Louisiana. At the Pine Prairie facility, 14 Bcf of high-deliverability salt-cavern storage capacity has been placed in service and an additional 10 Bcf is under construction. Pine Prairie Energy Center, LLC has received approvals from the Federal Energy Regulatory Commission and the Louisiana Department of Natural Resources to increase the permitted capacity at Pine Prairie to 48 Bcf.

See Recent Developments for a discussion of our recent acquisition of the 50% interest in PNGS not previously owned by us, which closed on September 3, 2009.

Marketing Segment. Our marketing segment operations generally consist of the following merchant activities:

- the purchase of U.S. and Canadian crude oil at the wellhead and the bulk purchase of crude oil at pipeline and terminal facilities, as well as the purchase of foreign cargoes at their load port and various other locations in transit;
- the storage of inventory during contango market conditions and the seasonal storage of LPG;
- the purchase of refined products and LPG from producers, refiners and other marketers;
- the resale or exchange of crude oil, refined products and LPG at various points along the distribution chain to refiners or other resellers to maximize profits; and
- the transportation of crude oil, refined products and LPG on trucks, barges, railcars, pipelines and ocean-going vessels to our terminals and third-party terminals.

We believe our marketing activities are counter-cyclically balanced to produce a stable baseline of results in a variety of market conditions, while at the same time providing upside potential associated with opportunities inherent in volatile market conditions. These activities utilize storage facilities at major interchange and terminalling locations and various hedging strategies to provide a counter-cyclical balance.

Except for pre-defined inventory positions, our policy is generally (i) to purchase only product for which we have a market, (ii) to structure our sales contracts so that price fluctuations do not materially affect the segment profit we receive and (iii) not to acquire and hold physical inventory, futures contracts or other derivative products for the purpose of speculating on outright commodity price changes.

In addition to substantial working inventories associated with its merchant activities, as of June 30, 2009, our marketing segment also owned significant volumes of crude oil and LPG classified as long-term assets for linefill or minimum inventory requirements under service arrangements with transportation carriers and terminalling providers. The marketing segment also employs a variety of owned or leased physical assets throughout the United States and Canada, including approximately:

- 8 million barrels of crude oil and LPG linefill in pipelines owned by us;
- 2 million barrels of crude oil and LPG linefill in pipelines owned by third parties and other long-term inventory;

- 528 trucks and 631 trailers; and
- 1,697 railcars.

In connection with its operations, the marketing segment secures transportation and facilities services from our other two segments as well as third-party service providers under month-to-month and multi-year arrangements. Intersegment sales are based on posted tariff rates, rates similar to those charged to third parties or rates that we believe approximate market rates. However, certain terminalling and storage rates recognized within our facilities segment are discounted to our marketing segment to reflect the fact that these services may be canceled on short notice to enable the facilities segment to provide services to third parties.

Certain activities in our marketing segment are affected by seasonal aspects, primarily with respect to LPG marketing activities, which generally have higher activity levels during the first and fourth quarters of each year.

Business Strategy

Our principal business strategy is to provide competitive and efficient midstream transportation, terminalling, storage and marketing services to our producer, refiner and other customers. Toward this end, we endeavor to address regional supply and demand imbalances for crude oil, refined products and LPG in the United States and Canada by combining the strategic location and capabilities of our transportation, terminalling and storage assets with our extensive marketing and distribution expertise.

We believe successful execution of this strategy will enable us to generate sustainable earnings and cash flow. We intend to grow our business by:

- optimizing our existing assets and realizing cost efficiencies through operational improvements;
- developing and implementing internal growth projects that (i) address evolving crude oil, refined products and LPG needs in the midstream transportation and infrastructure sector and (ii) are well positioned to benefit from long-term industry trends and opportunities;
- utilizing our assets along the Gulf, West and East Coasts along with our Cushing Terminal and leased assets to optimize our presence in the waterborne importation of foreign crude oil;
- expanding our presence in the refined products supply and marketing sector;
- selectively pursuing strategic and accretive acquisitions of crude oil, refined products and LPG transportation, terminalling, storage and marketing assets and businesses that complement our existing asset base and distribution capabilities; and
- using our terminalling and storage assets in conjunction with our marketing activities to capitalize on inefficient energy markets and to address physical market imbalances, mitigate inherent risks and increase margin.

PNGS s natural gas storage assets are also well-positioned to benefit from long-term industry trends and opportunities. See Recent Developments on page S-5. PNGS s growth strategies are to develop and implement internal growth projects and to selectively pursue strategic and accretive natural gas storage projects and facilities. We may also prudently and economically leverage our asset base, knowledge base and skill sets to participate in other energy-related businesses that have characteristics and opportunities similar to, or that otherwise complement, our existing activities.

Financial Strategy

Targeted Credit Profile. We believe that a major factor in our continued success is our ability to maintain a competitive cost of capital and access to the capital markets. We intend to maintain a credit profile that we believe is consistent with an investment grade credit rating. We have targeted a general credit profile with the following attributes:

- an average long-term debt-to-total capitalization ratio of approximately 50%;

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an average long-term debt-to-adjusted EBITDA multiple of approximately 3.5x (adjusted EBITDA is earnings before interest, taxes, depreciation and amortization, equity compensation plan charges, gains and losses from derivative activities and selected items that are generally unusual or non-recurring); and

an average adjusted EBITDA-to-interest coverage multiple of approximately 3.3x or better.

The first two of these three metrics include long-term debt as a critical measure. In certain market conditions, we also incur short-term debt in connection with marketing activities that involve the simultaneous purchase and forward sale of crude oil, refined products and LPG. The crude oil, refined products and LPG purchased in these transactions are hedged. We do not consider the working capital borrowings associated with this activity to be part of our long-term capital structure. These borrowings are self-liquidating as they are repaid with sales proceeds. We also incur short-term debt for New York Mercantile Exchange (NYMEX) and IntercontinentalExchange (ICE) margin requirements.

In order for us to maintain our targeted credit profile and achieve growth through internal growth projects and acquisitions, we intend to fund at least 50% of the capital requirements associated with these activities with equity and cash flow in excess of distributions. From time to time, we may be outside the parameters of our targeted credit profile as, in certain cases, these capital expenditures and acquisitions may be financed initially using debt or there may be delays in realizing anticipated synergies from acquisitions or contributions from capital expansion projects to adjusted EBITDA. At June 30, 2009 and for the six months then ended, we were in line with our targeted metrics.

Credit Rating. As of September 4, 2009, our senior unsecured ratings with Standard & Poor s Ratings Services and Moody s Investors Service were BBB-, stable outlook, and Baa3, stable outlook, respectively, both of which are considered investment grade ratings. We have targeted the attainment of stronger investment grade ratings of mid- to high-BBB and Baa categories for Standard & Poor s and Moody s, respectively. However, our current ratings might not remain in effect for any given period of time, we might not be able to attain the higher ratings we have targeted and one or both of these ratings might be lowered or withdrawn entirely by the rating agencies. Note that a credit rating is not a recommendation to buy, sell or hold securities, and may be revised or withdrawn at any time.

Competitive Strengths

We believe that the following competitive strengths position us to successfully execute our principal business strategy:

Many of our Transportation Segment and Facilities Segment Assets are Strategically Located and Operationally Flexible. The majority of our primary transportation segment assets are in crude oil service, are located in well-established oil producing regions and transportation corridors, and are connected, directly or indirectly, with our facilities segment assets located at major trading locations and premium markets that serve as gateways to major North American refinery and distribution markets where we have strong business relationships.

We Possess Specialized Crude Oil Market Knowledge. We believe our business relationships with participants in various phases of the crude oil distribution chain, from crude oil producers to refiners, as well as our own industry expertise, provide us with an extensive understanding of the North American physical crude oil markets.

Our Crude Oil Marketing Activities are Counter-Cyclically Balanced. We believe the variety of activities provided by our marketing segment provides us with a counter-cyclical balance that generally affords us the flexibility (i) to maintain a base level of margin irrespective of crude oil market conditions and (ii), in certain circumstances, to realize incremental margin during volatile market conditions.

We have the Evaluation, Integration and Engineering Skill Sets and the Financial Flexibility to Continue to Pursue Acquisition and Expansion Opportunities. Over the past eleven years, we have completed and integrated approximately 55 acquisitions with an aggregate purchase price of approximately $6.3 billion. We have also implemented internal expansion capital projects totaling approximately $1.9 billion through June 30, 2009. In addition, we believe we have resources to finance future strategic expansion and acquisition opportunities. As of September 4, 2009, we had approximately $1.5 billion available under our committed credit facilities, subject to continued covenant compliance.

We have an Experienced Management Team Whose Interests are Aligned with Those of our Unitholders. Our executive management team has an average of approximately 25 years of industry experience, and an average of approximately 15 years with us or our predecessors and affiliates. In addition, through their ownership of common units, indirect interests in our general partner, grants of phantom units and the Class B units in Plains AAP, L.P. (a Delaware limited partnership and the sole member of our general partner), our management team has a vested interest in our continued success.

We believe these competitive strengths will aid our efforts to expand our presence in the refined products, LPG and natural gas storage sectors.

Recent Developments

PNGS Acquisition. On September 3, 2009, one of our subsidiaries acquired the remaining 50% interest in PNGS (the PNGS Acquisition) from Vulcan Gas Storage LLC (Vulcan), which resulted in our ownership of a 100% interest in PNGS. The purchase price for the transaction was $220 million, consisting of $90 million in cash paid at closing, $90 million in equivalent value of our common units (1,907,305 common units based on a 20 business-day average closing price per unit) issued to Vulcan at closing, and up to $40 million of deferred/contingent cash consideration. The deferred/contingent consideration is payable in cash in two installments of $20 million each upon the achievement of certain performance milestones and events expected to occur over the next several years.

As a result of the PNGS Acquisition, 100% of the natural gas storage business and related operating entities will be accounted for on a consolidated basis. At the closing of the PNGS Acquisition, we repaid all of PNGS s outstanding debt using cash of PNGS and borrowings under our revolving credit facility.

Debt Offering. On September 4, 2009, we completed the sale of $500 million aggregate principal amount of 5.75% Senior Notes due 2020. The net proceeds ($494 million) from this sale of senior notes were used to repay outstanding borrowings under our credit facilities, a portion of which were incurred to fund the cash requirements of the PNGS Acquisition.

Redemption of 7.13% Senior Notes due 2014. On September 4, 2009, notice was given of our intent to redeem all of our outstanding 7.13% senior notes due 2014 on October 5, 2009.

Intent to Recommend Distribution Increase and Reduce Incentive Distribution Rights. On August 27, 2009, we announced that our management intends to recommend to our board of directors an increase in our quarterly distribution level to $0.92 per unit, or $3.68 per unit on an annualized basis, beginning 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 our distribution coverage ratio over the next 24 months, our general partner has agreed to reduce its incentive distributions by an aggregate of $8 million over the next two years including $1.25 million per quarter for the first four quarters and $0.75 million per quarter for the following four quarters. This incentive distribution rights reduction will become effective with the planned November 2009 distribution increase.

Additional Information

For additional information about us, including our partnership structure and management, please see our Annual Report on Form 10-K for the year ended December 31, 2008, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009. Please refer to the section in this prospectus supplement entitled Where You Can Find More Information.

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The Offering

Common units we are offering	4,600,000 common units, including 1,070,663 common units with an aggregate value of $50 million (based on the public offering price) to an affiliate of an owner of an aggregate 10 percent interest in our general partner entities; 690,000 common units if the underwriters exercise their option to purchase additional common units in full.
Units outstanding after this offering	135,445,988 common units if the underwriters do not exercise their option to purchase additional common units and 136,135,988 common units if the underwriters exercise their option to purchase additional common units in full.
Use of proceeds	We intend to use the net proceeds from this offering of approximately $214 million, including our general partner s proportionate capital contribution after deducting the underwriters discounts and commissions and estimated offering expenses, to reduce outstanding borrowings under our credit facilities, which may be re-borrowed to redeem our outstanding 7.13% senior notes due 2014 and for general partnership purposes. The underwriters will receive no discounts or commissions on the sale of 1,070,663 common units to be purchased by an affiliate of an owner of an aggregate 10 percent interest in our general partner entities. Affiliates of certain underwriters are lenders under our credit facilities, and accordingly, will receive a portion of the proceeds from this offering pursuant to the repayment of borrowings under such facilities. Please read Underwriting in this prospectus supplement for further information.
Cash distributions	Under our partnership agreement, we must distribute all of our cash on hand at the end of each quarter, less reserves established by our general partner in its discretion. We refer to this cash as available cash, and we define its meaning in our partnership agreement. Under the quarterly incentive distribution provisions in our partnership agreement, generally our general partner is entitled, following the distribution of our minimum quarterly distribution of $0.45 per common unit and without duplication, to 15% of amounts we distribute until each unitholder receives a total of $0.495 per common unit, 25% of amounts we distribute until each unitholder receives a total of $0.675 per common unit and 50% thereafter. For a description of our cash distribution policy, please read Cash Distribution Policy in the accompanying prospectus. On August 14, 2009, we paid a cash distribution of $0.9050 per unit ($3.62 per unit on an annualized basis) to holders of record of such units at the close of business on August 4, 2009. The distribution represented an increase of approximately 2% over the quarterly distribution of $0.8875 per unit we paid in August 2008 and is unchanged from the May 2009 distribution level. Please see Recent Developments for a discussion of our intent to recommend an increase in our distribution beginning with our November 2009 distribution and the incentive distribution rights reduction

by our general partner.

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Estimated ratio of taxable income to distributions	We estimate that if you own the common units you purchase in this offering through the record date for the distribution for the period ending December 31, 2011, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be less than 30% of the cash distributed to you with respect to that period. Please read Tax Considerations in this prospectus supplement for the basis of this estimate.
New York Stock Exchange symbol	PAA.

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RISK FACTORS

Before making an investment in the common units offered hereby, you should carefully consider the risk factors beginning on page 5 of the accompanying prospectus and those included in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008, together with all of the other information included or incorporated by reference in this prospectus. If any of these risks were to occur, our business, financial condition or results of operations could be materially adversely affected. In such case, the trading price of our common units could decline, and you could lose all or part of your investment.

USE OF PROCEEDS

The net proceeds of this offering will be approximately $214 million, including our general partner s proportionate capital contribution, after deducting the underwriters discounts and commissions and estimated offering expenses. The underwriters will receive no discounts or commissions on the sale of common units to be purchased by an affiliate of an owner of an aggregate 10 percent interest in our general partner entities. If the underwriters exercise their option to purchase additional common units in full, the net proceeds of this offering will be approximately $246 million, including our general partner s proportionate capital contribution.

We intend to use the net proceeds of this offering (as well as the proceeds from any exercise of the underwriters option to purchase additional common units) to reduce outstanding borrowings under our credit facilities, which may be re-borrowed to redeem $250 million aggregate principal amount of our outstanding 7.13% senior notes due 2014, and for general partnership purposes. Affiliates of certain underwriters are lenders under our credit facilities, and accordingly, will receive a portion of the proceeds from this offering pursuant to the repayment of borrowings under such facilities. Please read Underwriting in this prospectus supplement for further information.

At September 4, 2009, we had approximately $0.5 billion of debt outstanding under our credit facilities with a weighted average interest rate of approximately 1.40%. Substantially all of the borrowings we are repaying were used for (i) hedging LPG and crude oil inventory, (ii) NYMEX and ICE margin deposits and (iii) working capital requirements.

PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS

As of September 4, 2009, we had 130,845,988 common units outstanding, held by approximately 95,000 holders, including common units held in street name. Our common units are traded on the New York Stock Exchange under the symbol PAA.

The following table sets forth, for the periods indicated, the high and low sales prices for the common units, as reported on the New York Stock Exchange Composite Transactions Tape, and quarterly cash distributions declared per common unit. The last reported sale price of common units on the New York Stock Exchange on September 8, 2009 was $47.78 per common unit.

	Common Unit Price Range		Cash Distributions per Unit(1)
	High	Low	
2007			
First Quarter	$ 59.33	$ 49.56	$ 0.8125
Second Quarter	64.82	56.32	0.8300
Third Quarter	65.24	52.01	0.8400
Fourth Quarter	57.09	46.25	0.8500
2008			
First Quarter	$ 52.44	$ 43.93	$ 0.8650
Second Quarter	50.96	44.54	0.8875
Third Quarter	48.36	35.68	0.8925
Fourth Quarter	42.39	23.25	0.8925

2009			
First Quarter	$ 40.98	$ 34.00	$ 0.9050
Second Quarter	45.52	36.25	0.9050
Third Quarter (through September 8, 2009)	50.33	42.50	(2)

(1) Represents cash distributions attributable to the quarter and paid within 45 days after the quarter.

(2) Cash distributions in respect of the third quarter of 2009 have not been declared or paid.

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CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2009 (i) on a historical basis, (ii) on a pro forma basis to give effect to (x) our public offering of $500 million of senior notes in July 2009 and the application of the net proceeds therefrom (approximately $497 million) to reduce outstanding borrowings under our credit facilities, (y) the repayment of $175 million of 4.75% senior notes upon maturity in August 2009, and (z) the PNGS Acquisition and related repayment of PNGS indebtedness, (iii) as adjusted to give effect to our public offering of $500 million of senior notes in September 2009 and the application of the net proceeds therefrom (approximately $494 million) to repay outstanding borrowings under our credit facilities, a portion of which was incurred to fund the cash requirements of the PNGS Acquisition (which included repayment of all of PNGS s debt); and (iv) as further adjusted to give effect to the sale of the common units offered hereby and the application of the net proceeds therefrom as described under Use of Proceeds in this prospectus supplement and our general partner s proportionate capital contribution, net of offering expenses. This table should also be read in conjunction with our financial statements and the notes thereto that are incorporated by reference into this prospectus supplement. As of September 4, 2009, we had approximately $0.5 billion of debt outstanding under our credit facilities with a weighted average interest rate of approximately 1.40%. See Use of Proceeds.

	As of June 30, 2009			
	Historical	Pro Forma(1)	As Adjusted for the Notes Offering	As Further Adjusted for this Offering
	(In millions)			
CASH AND CASH EQUIVALENTS	$ 7	$ 7	$ 7	$ 7
SHORT-TERM DEBT				
Hedged inventory facility	$ 436	$ 436	$ 436	$ 232
Working capital borrowings(2)	325	3	3	
4.75% Senior notes due 2009 net of unamortized discount(3)	175			
Other	2	2	2	2
Total short-term debt	$ 938	$ 441	$ 441	$